<table>
<thead>
<tr>
<th>Tagliando 1</th>
<th>Concorso a del 21-1-1947</th>
<th>Tagliando 2</th>
<th>Concorso b del 24-1-1947</th>
<th>Tagliando 3</th>
<th>Concorso c del 27-1-1947</th>
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<tr>
<td>S. Calciata</td>
<td>v. Torino</td>
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<td>Sassari</td>
<td>v. Torino</td>
<td>en.</td>
<td>v. Torino</td>
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</tbody>
</table>

**Spazio per il Bollino**

La scheda deve essere consegnata entro a mezzogiorno del giorno dopo l'uscita del giornale. Le partite che si giocano in giornata, il bollino corrisponde al risultato del match in corso. Le partite che si giocano in sera, il bollino corrisponde al risultato del match in corso. Le partite che si giocano in sera, il bollino corrisponde al risultato del match in corso.

**Numeri Unici di Sport Italia**

**Totocalcio**

Dati e statistiche sul girone d'andata del campionato 1946-47 e sul Totalizzatore C.O.N.I. - SISAL.
“SISALISM”

Introducing the football pools into Italy was no easy task, requiring years of research before the launch to find a new and original organisational model that suited the special features of the situation at the time. I remember all the hard work put in by S.I.S.A.L.’s managers to identify the innovations needed in the football pools formats in vogue outside Italy in that period. And it is to their credit that in the end they successfully resolved all the problems and difficulties that stood in the way of the launch of the football pools in Italy (...).

At S.I.S.A.L., we had always been of the opinion, based on careful study, that the profits generated by the football pools should be assigned to a charitable organisation in need of assistance. In the period immediately preceding the official launch of the S.I.S.A.L. football pools, Italian sport was in a precarious situation to say the least. The country was recovering from a disastrous war and the State had more pressing and important problems to solve. The financial situation meant that subsidies were out of the question and the world of sport was managing to scrape along, but only just. Which is why S.I.S.A.L. decided to present its idea to the Italian National Olympic Committee (...). The S.I.S.A.L. football pools have come a long way since then. It has been a remarkable journey, with billions of lira in prize money handed out to winners and billions of lira poured in to replenish the empty coffers of Italian sport, restoring its dignity and providing the finance to procure the resources needed to train Italian athletes for international competitions (...).

The technical details of the game were defined based on mechanisms that have become part of S.I.S.A.L.’s heritage. Most importantly, S.I.S.A.L. devised an immediately recognisable play slip, with a distinctive logo and column layout. Another important innovation introduced by S.I.S.A.L. was the payment authentication stamp. One more novelty was the famous system of symbols used to indicate the results of matches, “1”, “X” and “2”, representing respectively a victory for the home team, a draw and a victory for the away team (...). But the entire organisation behind S.I.S.A.L. is based on details that have gradually been honed to perfection through experience gained over the years. Today S.I.S.A.L. is a magnificent timepiece that runs like clockwork thanks to the meticulous contributions of all its numerous little gear wheels (...).

Massimo Della Pergola, “Sisalism”, June 1948
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2 INTELLIGENCE

3 INTEGRITY

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Our ambition at Sisal is to transform innovation into an ongoing process that permeates the entire company, continuing along a path defined by intuition and a spirit of enterprise. It is a story that began for fun, with an idea sparked by the genius and the imagination of our three founders.

Drawing on the natural inclination for renewal that has been a distinguishing feature of Sisal right from the outset, our commitment to sustainability today is to gradually extend the process of innovation to include the social sphere too, contributing to the creation of solutions that generate shared value for everyone at Sisal, for our customers and for the community as a whole.

Our most important responsibility is the welfare of our associates and employees: Sisal’s people. For them, we have tried to build a working environment that offers opportunities to grow based on shared parameters of merit, in such a way as to reward talent and richness of diversity. Multifunctional work teams, likeWiSe - Women in Sisal Experience and WoW - Working on Work, have helped to identify and implement new projects, ranging from Flexilife, a programme to encourage the introduction of more flexible working arrangements, to Easylife, an online platform packed with services and special rates for all collaborators.

Our commitment to customers on the issue of sustainability translates into a wide-ranging Responsible Gaming Programme addressed to promoting a legal, safe and balanced gaming model with a focus on entertainment. In 2014, we explored new digital channels and web languages to promote aware gaming behaviour by producing the Mr. Smart web series. This commitment to Responsible Gaming was rewarded by the renewal of our international certifications, at the highest possible level, by European Lotteries and the World Lottery Association. In February 2014, these certificates were extended to cover the Group’s entire offering of gaming products.

Community involvement, also in the form of support for young people with new ideas, is a cornerstone of Sisal’s Social Responsibility strategy. We are convinced that our Company can become a promoter and driver of innovation, transforming itself into a development facilitator for new projects by sharing and offering access to its tangible and intangible assets through open innovation initiatives.

This is the goal of our partnership since 2011 with Fondazione ItaliaCamp, which works to identify and put into practice new answers to real needs in the country and social innovation projects. And in 2014 we launched GoBeyond, a contest devised and promoted in 2014 by SisalPay to support start-ups and
ensure that business ideas are transformed into success stories. The winning project receives not only funding, but also corporate know-how and capabilities, provided in partnership with leading companies in the consulting, media and digital sectors, who work with the start-up as it grows during the first few months of life.

We have also renewed our support for an institution renowned for artistic excellence, the Piccolo Teatro di Milano, and opened up our close-knit network to raise funds for scientific research, in collaboration with important, qualified partners including Telethon, AIRC, Fondazione Umberto Veronesi and Fondazione Vialli e Mauro.

These are all concrete, measurable actions. But for us, innovating doesn’t necessarily mean introducing costly and complex solutions. Sometimes all that is needed is a new mental approach, a change in the way the company relates to itself and the surrounding environment, to create added value for all stakeholders.

Innovation is therefore a strategic resource for the development both of our Company and the society in which we operate. It is the driving force and lifeblood that lets us look to the future with optimism and with the courage to dare and always put ourselves on the line.

Emilio Petrone
CEO
Sisal Group S.p.A.
SISAL IN NUMBERS

70
YEARS OF HISTORY

14 MILLION
GAMING AND SERVICES CUSTOMERS

13.9 BILLION €
TURNOVER

~2.000
EMPLOYEES (2012 vs 2014 +25%)
45,587
POINTS OF SALE

500
SISALPAY SERVICES

187 MILLION
PAYMENT TRANSACTIONS

335
ONLINE GAMES
SISAL GROUP
PROFILE

OUR COMMITMENT
Dedication to what we do; an ethical and transparent approach to relationships and how we put our ideas into practice; rigour combined with creativity and passion.
Sisal Group (also referred to here as “Sisal”, “the Group” and “the Company”) is an Italian Group with a long-standing tradition and a consolidated reputation. It works in close contact with the Regulator and the Public Administration in two sectors characterised by strong growth: the gambling market, where it has been operating as a state concession company since 1946, and the payment services market, where it has thrived as a benchmark player in recent years with the Sisal-Pay brand.

The trust we have gained from both Customers and the Public Administration springs from the application of consolidated social principles and values which are constantly realigned with new developments, from the management of human resources as vital company assets, and from innovation addressed to both productivity and sustainability.

In over 70 years of history, the Group has diversified and extended its offering of products and services, exploiting both the close-knit network of points of sale across Italy and digital media channels. Sisal, in fact, continues to invest in the innovation of products and distribution channels in order to satisfy the needs of its Customers with quality solutions and to provide a safe, secure and original entertainment experience.

The Group’s Sustainability policy and its concern for the people it works with, both inside and outside the company, were the drivers behind the decision in 2009 to strengthen its commitment to corporate social responsibility and to developing a wide-ranging and detailed Sustainability Programme, on which it reports each year to all Stakeholders, with a view to delivering growth that achieves a balance between the interests and expectations of all parties involved.
VISION, MISSION, VALUES

VISION
TO MAKE PEOPLE’S LIVES EASIER AND MORE ENJOYABLE

People are the main focus of Sisal’s activities. The key goal is adding value to our Customers’ leisure time.

MISSION
TO PROVIDE THE BEST OFFERING OF GAMING, ENTERTAINMENT AND SERVICES, RESPONSIBLY AND SUSTAINABLY OVER TIME

In the pursuit of its Mission, the Company’s focus is the commitment it has been fulfilling responsibly for almost 70 years: unswerving attention to its Stakeholders.
A Company that strives to be a leader in corporate social responsibility has a duty to ensure consistent behaviour and be guided by Values that underpin its actions and put People at the centre of its operations. Sisal’s Guiding Values have been defined by and shared with the entire Company and all the Employees who work every day with competence and passion to make Sisal an ever more successful Group, with a focus on business growth and the welfare of the community.
GROUP ASSETS

THE STRONG IDENTITY, AWARENESS AND RECOGNITION OF SISAL BRANDS

The strong tradition and nationwide awareness and recognition of Sisal Group brands has contributed to business growth and helped reach a huge number of Customers. Today, more than 14 million people choose Sisal for gaming and personal payment services.

A STRONG RETAIL PRESENCE

Sisal was one of the first Operators to embark on a process of retail network expansion, complementing the traditional roster of affiliated points of sale with new formats. Today there are 45,587 points of sale in the network in Italy and three distinct brands: Sisal Wincity, Sisal Matchpoint and, since 2014, Sisal Smartpoint.

A STRATEGIC POSITION IN THE PAYMENT SERVICES MARKET

In 2013, Sisal launched SisalPay, the first brand to specialise in this market, which has achieved a significant presence in the payment services sector by offering fast but secure solutions that have encouraged Italians to change their buying habits.

ADVANCED TECHNOLOGY ONLINE NETWORK

The Group continues to invest in an extensive Information and Communication Technology (ICT) platform to ensure that gaming systems and payment services are developed to the highest standards of quality and security.
A REAL COMMITMENT TO SUSTAINABLE GROWTH

The Group is committed to improving the customer experience continuously. This includes the study of new product offerings and retail channel solutions, with the aim of being the first mover on the market with new concepts, new products and new delivery methods.

ONGOING PRODUCT AND RETAIL CHANNEL INNOVATION

Sisal has chosen the path of sustainable development with the aim of balancing business expansion with Corporate Social Responsibility. The company’s proactive approach to Sustainability takes the form in practice of a focus on Responsible Gaming policy and the CSR Action Plan addressed to Stakeholders.
THE OFFERING

LOTTERY

SUPERENALOTTO
Offering one of the biggest jackpots in the world, SuperEnalotto is Sisal’s original, storied lottery, with a user base of about 5 million Customers and around 600 thousand Facebook fans.

SIVINCETUTTO SUPERENALOTTO
The only contest in which all the prize money is won on the same evening.

VINCI PER LA VITA - WIN FOR LIFE
The first game in Italy to offer a monthly income as a prize.

VINCICASA
Launched in 2014, this is the first Italian game with a home as a prize.

EUROJACKPOT
The first and only lottery in Italy with a Europe-wide jackpot, in collaboration with 16 European Countries.
RETAIL GAMING

<table>
<thead>
<tr>
<th>BETTING</th>
<th>BINGO</th>
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<tbody>
<tr>
<td>AWP MACHINES</td>
<td>VLT</td>
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<tr>
<td>VIRTUAL RACES</td>
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</tbody>
</table>

WINCITY
An innovative retail concept based on the “Eat, Drink and Play” model, bringing together gaming, food & drink, and entertainment. Seventeen points of sale in the main Italian cities, including Milan, Rome, Turin, Brescia, Pescara, Florence, Catania and Bologna.

MATCHPOINT
This channel offers the full range of Sisal products, with a special focus on horse race and sports betting and on Virtual Races. Over 350 points of sale and more than 3,500 retail corners.

SMARTPOINT
This channel was launched in 2014 to offer an innovative entertainment experience based on the latest technology. It presents the entire offering of Lottery products, AWP machines and the full range of payment services in over 170 points of sale.

ONLINE GAMING

<table>
<thead>
<tr>
<th>CASINO AND SLOT GAMES</th>
<th>BETTING AND VIRTUAL RACES</th>
</tr>
</thead>
<tbody>
<tr>
<td>VLTS</td>
<td>BINGO</td>
</tr>
<tr>
<td>QUICK GAMES</td>
<td>POKER AND SKILL GAMES</td>
</tr>
<tr>
<td>LOTTERIES</td>
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</tbody>
</table>

SISAL.IT
This is the Group’s web platform, offering 335 online games in a safe, secure and consumer friendly environment, also available on mobile devices in the form of dedicated applications (about 250,000 players).
**PAYMENTS & SERVICES**

<table>
<thead>
<tr>
<th>PAYMENT OF UTILITIES AND OTHER BILLS, FINES, TAXES AND SUBSCRIPTIONS</th>
<th>INTERNATIONAL PHONE CARDS</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOP-UPS FOR THE MAIN PREPAID CARDS</td>
<td>ACTIVATION AND TOP-UP OF PAY-TV CARDS</td>
</tr>
<tr>
<td>TOP-UPS FOR THE MAIN ITALIAN AND INTERNATIONAL MOBILE TELEPHONE OPERATORS</td>
<td>SALES OF SMALL PRODUCTS AND GADGETS</td>
</tr>
</tbody>
</table>

**SISALPAY**

This Group brand was launched in 2013 to satisfy the need for a simple, safe, secure, convenient and rapid way to make personal payments. SisalPay offers the security guarantees of a Payment Institute overseen by the Bank of Italy and maximum transparency in terms of service delivery methods and the economic conditions applied.

The SisalPay service has over 12 million customers at present.

SisalPay offers:
- Over 500 services available 7 days a week through about 100 leading Italian and international partner companies.
- 40,000 points of sale in a network offering wide geographical coverage across Italy, of which 5,000 devoted exclusively to payment services.
- Cashless payment systems installed throughout the retail network to allow customers to make payments using e-money too.
GROUP COMPANIES

- Sisal Group S.p.A. and its subsidiaries (also referred to here as "the Group") are active mainly:
  - In the gaming sector, primarily on the basis of state concessions granted by the Customs and Monopolies Agency.
  - In the payment services sector, on the basis of a special license from the Bank of Italy.

SISAL GROUP S.P.A.
- Direction and coordination of subsidiary companies.
- Management of internal audit, management planning & control, strategy & security and anti-money laundering activities.

SISAL S.P.A.
- Management of games, betting and contests.

SISAL POINT S.P.A.
- Marketing of goods and services through the Retail Network.

SISAL ENTERTAINMENT S.P.A.
- Implementation and management of the ICT network concession by means of legally authorised gaming machines (Italian Customs and Monopolies Agency).
- Leasing of gaming machines.

FRIULGAMES S.R.L.
- Leasing and maintenance of electronic gaming machines.

ACME S.R.L.
- Manufacture of electronic gaming machines.
The organisational model developed by Sisal is based on four business units (Retail Gaming, Lottery, Online Gaming and Payments & Services), assisted by Central Management Teams that work to guarantee financial, strategic and operating consistency, in pursuit of the Group’s mission.

**RETAIL GAMING BUSINESS UNIT**
Manages activities relating to gaming machines, fixed-odds betting, traditional horse racing and sports pools games, virtual betting and Bingo.

**LOTTERY BUSINESS UNIT**
Manages the Italian National Lottery (National Totalisor Number Games - NTNG) concessions assigned to Sisal since 2009. Sisal has run the Enalotto concession since 1996.

**ONLINE GAMING BUSINESS UNIT**
Manages activities in the online gaming and betting segment.

**PAYMENTS & SERVICES BUSINESS UNIT**
Manages activities relating to the payment of utility and other bills, fines, taxes, subscriptions and top-ups for prepaid debit cards, phone cards and pay-per-view TV cards.
MANAGING SUSTAINABILITY IN SISAL

INTELLIGENCE
Knowledge, competences and the right innovative tools to implement a sustainable approach across the board.
SISAL GROUP, A HISTORY OF SUSTAINABILITY

The timeline illustrated below presents the key milestones in the history of Sisal as an industrial Group and a promoter of Corporate Responsibility. The Company’s Social Sustainability initiatives are highlighted in green.

1945 ♪ Sisal Founded

1946 ♪ Introduction of the Sisal play slip (Totocalcio). A portion of the proceeds from Sisal play slips were invested in rebuilding the football stadiums destroyed during the war.

1948 ♪ Totip launched, Italy’s first horse race betting system. Fundraising for unemployed Italians.

1991 ♪ Tris available from Sisal retailers.

1993 ♪ Introduction of the MAX 2000T Terminal to computerise the online network.

1995 ♪ First public utility service: the sale of Italian state railway tickets.

1997 ♪ SuperEnalotto launched. The television channel devoted entirely to the world of gaming.

1998 ♪ Introduction of the Extrema terminal and computerisation of the Sales Network.

2000 ♪ Start of fundraising campaigns for AIRC.
2003
- Totocalcio returns home (end of state control introduced in 1948).

2004
- Acquisition of Matchpoint and the network of betting agencies.
- Online gaming launched.

2005
- Sisal Slot develops Sisal business in the gaming machine sector.
- Start of fundraising campaigns for Telethon.

2008
- Introduction of the cutting edge Leonardo Terminal.
- Support for the Exhibition of work by Giovanni Bellini at the Scuderie del Quirinale.

2009
- Sisal awarded the Italian national lottery concession.
- Win for Life launched, the first game in Italy with a monthly income as a prize.
- Launch of the “Gioca il Giusto - Play Right” campaign.
- Partnership with Save the Children and Piccolo Teatro di Milano.
- Fundraising for the Abruzzo earthquake (Network and Sisal Employees).

2010
- Sisal Wincity established.
- Introduction of the Terminale Microlot.
- Sisal CSR Unit set up.
- Activation of Responsible Gaming services “Un aiuto sincero” and “L’esperto risponde”.
- Partnership with no profit organisations Make a Wish® and Associazione Portofranco.

2011
- Two new product launches: SiVinceTutto and Casinò.
- European Lotteries Responsible Gaming certification.
- Introduction of special guidelines for responsible commercial communication.

2012
- EuroJackpot launch.
- Sisal recognised as Payment Institute by the Bank of Italy.
- MEIC Project (Memoria, Evoluzione e Identità Condivisa - Shared Memory, Evolution and Identity).
- World Lottery Association Responsible Gaming Certification.
- New Vision & Mission, new Values (Sisal Charter).
- First fundraising campaigns for the AriSla Foundation and the Umberto Veronesi Foundation.

2013
- SisalPay created, the services network for quick, convenient payments and top-ups.
- Affiliation with the national “Responsible Gaming” service provided by FeDerSerd.

2014
- Launches: VinciCasa, the first game in the world with a home as its prize; Sisal Smartpoint, a new point of sale concept based on innovation and advanced technology; and Sisal Live Channel, the first TV channel in Italy devoted entirely to live betting.
- Sisal Group Historical Archive set up in association with Museimpresa.
- European Lotteries and World Lottery Association Responsible Gaming certifications extended to the entire range of gaming products.
- Mr. Smart web series (“Gioca il Giusto - Play Right” campaign).
- Sisal GoBeyond project launched.
THE MEIC PROJECT AND THE SISAL GROUP

HISTORICAL ARCHIVE

The story of Sisal is a long journey of passion and intuition, undertaken with a great spirit of enterprise. It is a story that began for fun with the vision of three journalists and sports lovers who, in 1945, in an Italy ready for post war recovery, found their main source of inspiration in football.

This was the creative spark behind the first steps taken in 1945 by Sisal (a partial acronym of ‘Sport Italian Società a Responsabilità Limitata’), with the introduction of the original, storied ‘schedina’ play slip, based on football match results.

Over the years Sisal has grown, reflecting the habits, customs and passions of Italians, while remaining true to its original spirit: that of a company in the Italian tradition, at the service of the State, its Customers and its Retailers, with a legal, secure and responsible gaming and services offering.
70 years of projects and achievements, but also of people and solidarity, are the inspiration for the MEIC project (Memoria, Evoluzione e Identità Condivisa - Shared Memory, Evolution and Identity). Launched in 2012, the project has a mission to promote and grant everyone access to the Memory, Evolution and Identity of Sisal.

The first important milestone in the MEIC project was the creation in 2014 of the Group’s Historical Archive, in association with Museimpresa, to preserve the company’s heritage and share its cultural and social resources.

Located in Sisal’s storied Peschiera Borromeo site near Milan, once used to check Totip, Totip+ and Tris play slips, the Archive contains much of the documentary heritage produced by Group companies. Over 4,000 photographs, the Sport Italia newspaper collection, press reviews, annual reports, information notices, concession contracts and regulations for the products managed through the years, 700 posters, over 3,000 play slips, the serial numbers of the first terminals in the Sisal retail network, from the 1990s to today, sketches, objects and books about the sector, plus 800 video tapes.

The MEIC exhibition space that hosts the Historical Archive covers an area of over 160 square metres and describes the most important milestones in the company’s history. The Lottery Wall with roughly 2,000 play slips, a classic Totip desk with play slip tear-off ruler and stamp moistener, and illuminated Group product and brand signs bring to life the panel that presents the evolution of the Sisal brand and its products. Five monitors tell the story of the Company through five categories of video communication: CSR, corporate communication, corporate films, internal communication and point of sale/Sisal TV.

This unique cultural heritage offers a new perspective on Italy’s history. The process of sharing this huge and valuable corporate and historical legacy began with the People in Sisal, who were the first to contribute to its creation by publishing content on the WeSisal intranet site.

Far from being backward-looking, the MEIC project sees itself as a tool that can be used to exploit the historical memory and transformations of the company, with a view to interpreting its own historical background as part of the process of driving the innovation that has always been a distinctive feature of Sisal. Reaching into the future, but without ever losing sight of the values of its tradition and own roots.

Tradition and innovation, past and present, are the inseparable travelling companions of visitors to the Sisal Historical Archive, who with one amused eye look at the Sisal of the past and with the other at the Sisal of the future.
Sisal’s commitment to Sustainability, as reflected in corporate policy, forms an integral part of the Group’s history, vision, mission and values.

It is a sustainability experienced and pursued first hand by the people who every day contribute to business development and the generation of shared value for both the Company’s own benefit and that of all Stakeholders.

The very business strategy pursued by Sisal testifies to its commitment to sustainability, because the Group is convinced of the need to integrate business development with a concern for its social repercussions, also in consideration of the special nature of the sector in which it operates.

The Company’s sustainability strategy is inspired by the conviction that a responsible approach is the only way to guarantee ongoing value creation for all internal and external Stakeholders.

A materiality analysis was performed in 2014 to develop and define the Group’s priorities in the area of Sustainability. The guidelines focus on the most important issues to emerge from the analysis, identifying specific objectives and/or targets for each area of commitment.
The main strategic objectives of the Group are to consolidate and strengthen its position in the gaming and payment services market, generating sustainable profit growth that creates lasting value for all Stakeholders. From the standpoint of sustainability, customer protection and the Responsible Growth Programme play a key role in business strategy, materially influencing the company’s decisions and practices.

The Group’s sustainable growth model is applied across all areas of the company and is based on:

• Corporate Governance.
• Social Sustainability.
• Environmental Sustainability.
• Economic Sustainability.

These areas are the pillars on which Sisal’s sustainable growth model rests and they guide the preparation of the Sustainability Report. All the Company’s Corporate Social Responsibility initiatives are developed on the basis of a model of Stakeholder Engagement that aims to actively involve interested parties, through a sustainable growth approach that achieves a balance between the interests and expectations of everyone involved. Specific levels of engagement are established for each Stakeholder.

**LEVELS OF STAKEHOLDER ENGAGEMENT**

• Inform
• Consult
• Listen
• Involve
• Collaborate
<table>
<thead>
<tr>
<th>Stakeholder Engagement</th>
<th>Management Transparency and Responsibility</th>
<th>Integrity, Values and Code of Ethics</th>
<th>Risk Prevention and Control</th>
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<tbody>
<tr>
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<td>Responsible Gaming and Consumer Protection</td>
<td>Employee Welfare</td>
<td>Community Support</td>
</tr>
<tr>
<td></td>
<td>Reducing the Environmental Impact of Operating Processes</td>
<td>Efficient Management of Resources and Consumption</td>
<td>Environmental Initiatives</td>
</tr>
<tr>
<td></td>
<td>Lasting Growth</td>
<td>Distribution of Generated Value</td>
<td>Contribution to the Tax System and the Community</td>
</tr>
</tbody>
</table>


SISAL GROUP
MATERIALITY ANALYSIS

Sisal has completed a “materiality analysis” process with the aim of better aligning the 2014 Sustainability Report with the interests and expectations of the Company’s Stakeholders and the needs of its core business.

This process has been implemented in compliance with the Global Reporting Initiative’s G4 guidelines, for which the principle of “materiality” represents an essential and qualifying aspect of reporting.

The materiality analysis was performed by means of a process to assess and select relevant information, with the goal of identifying the issues to focus on in the 2014 Sustainability Report.

The materiality analysis process was split into the stages described below.

SCREENING OF POTENTIAL AREAS OF INTEREST
The first stage in the materiality analysis process was the identification of issues of interest.

This was performed by collecting and comparing data and information obtained from diverse sources, both inside and outside Sisal. The result was an overview of the general issues that can influence business objectives, Stakeholder vision and future challenges.

The information analysed was drawn from four macro source categories:
- Sector standards and regulations.
- The Sisal enterprise system.
- Industry initiatives.
- Other Stakeholders.

The “Sector standards and regulations” category includes the main sustainability reporting standards and the main applicable regulations.

The “Sisal enterprise system” category includes the main guidance communicated by the Group to the outside world, including for example the undertakings set out in the previous Sustainability Report and the information contained in press releases.

“Industry initiatives” refer to issues discussed by gaming sector operators and regarded as best practices in terms of their approach and for the purposes of sustainability reporting.

“Other Stakeholders” refers to information collected from sources other than the above. This involved the analysis of information obtained through media monitoring (for example, by analysing media exposure and press reviews) or through specific studies performed by third parties (the survey conducted by Great Place to Work, for example, or the customer satisfaction survey performed by retailers and the analysis...
undertaken by the Reputation Institute), as well as the principles established in the Responsible Gaming Standards and by the main ethical rating agencies.

After collecting the documentation, the corporate functions involved and the internal process owners were identified for each issue.

ANALYSIS OF ISSUES OF INTEREST

The second stage in the process was performed with the support of the corporate functions involved (the Sustainability and Management Committee) and entailed a further selection of the potentially substantive issues, grouped into macro areas, to include in reporting.

Each macro area was then attributed a qualitative relevance score based on a scale of three values (“high”, “medium” and “low”), according to their importance for the Group in terms of current and prospective strategy, the competences and investments specifically assigned to them and their potential impact.

The seven areas identified are:

• Responsible gaming.
• People.
• Supply chain.
• Environment.
• Innovation, research and development.
• Stakeholder Engagement.
• Governance and regulatory compliance.
INTEGRITY
Transparency and responsibility as everyday working tools inside and outside the company.
THE SISAL GOVERNANCE SYSTEM

Corporate governance is a key component of the Sisal business model. In conjunction with the business strategy, its aim is to support the relationship of trust established with Stakeholders, creating sustainable value in the long term and fully respecting the values of integrity, transparency and responsibility.

The main goal of the corporate governance system adopted by Sisal is to create shareholder value, in full awareness of the importance of corporate decision-making transparency and the need for an effective internal control system.

ORGANISATIONAL MODEL

GENERAL SHAREHOLDERS’ MEETING
Passes resolutions in ordinary or extraordinary session on matters in its scope of competence as established by the law or the bylaws.

BOARD OF DIRECTORS
Vested with the broadest possible powers of company administration, it has the authority to perform all actions deemed appropriate in the pursuit of the corporate mission, with the exclusion of actions reserved for the consideration of the General Meeting by the law or the bylaws.

The Company is managed by a Board of Directors consisting of 14 members appointed by the General Shareholders’ Meeting as follows:

- Augusto Fantozzi, Chairman
- Emilio Petrone, CEO and General Manager
- Giancarlo Aliberti
- Simone Bassi
- Roberto Biondi
- Maurizio Cereda
- Gabriele Cipparrone
- Simone Cucchetti
- Giuseppe Farchione
- Stefano Giambelli
- Alessandro Papetti
- Maurizio Santacroce
- Nicola Volpi
- Roberto Zanchi
BOARD COMMITTEES
The Board of Directors has established various Committees among its members. Their composition and operation are inspired by the principles and parameters established by the Code of Conduct of listed companies:

- Committee for the Appointment and Remuneration of the Directors of the Company and its subsidiaries, with Directors: Giancarlo Aliberti, Giuseppe Farchione and Roberto Zanchi
- Audit Committee, with Directors: Giuseppe Farchione, Stefano Giambelli and Roberto Zanchi

INDEPENDENT AUDITORS
The company’s accounts are audited for legal purposes by PricewaterhouseCoopers S.p.A., engaged by the General Shareholders’ Meeting as proposed by the Board of Statutory Auditors.

BOARD OF AUDITORS
Oversees compliance with the law, the bylaws and principles of good administration, with a special focus on the adequacy of the Company’s organisation, administration and accounting functions and their operation in practice.

The Board of Auditors consists of three standing and two alternate members:

- Piero Alonzo, Chairman
- Massimo Bellavigna, Standing Auditor
- Francesco Tabone, Standing Auditor
- Carlo Bosello, Alternate Auditor
- Andrea Franzini, Alternate Auditor

SUPERVISORY BOARD
The Company has an Organisation, Management and Control Model pursuant to article 6, Legislative Decree 231/01, with the aim, amongst other things, of ensuring the correct and transparent performance of the company’s business activities, and is provided with a Supervisory Board.

The Supervisory Board has three members:

- Fabio Giarda, Coordinator
- Andrea Castellani
- Carla Pascucci
THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

The Internal Control System consists of a set of rules, procedures and organisational structures designed to pursue sound and proper business management in line with predefined objectives through the identification, measurement, management and monitoring of major risks.

Sisal regards as a “risk” any event that could adversely affect the achievement of a strategic, operating, reporting or compliance goal. To reduce the possibility of such an event occurring and to address the risk inherent in the Company’s activities, Sisal has designed and implemented an Internal Control System involving various functions and bodies that allow the Company to identify, analyse and assess the risks associated with its activities and objectives, to adopt suitable countermeasures to manage these risks, and to monitor activities constantly.

Sisal’s commitment to Sustainability is part of this System which, in accordance with the corporate Mission, also makes a significant contribution to pursuing the Group’s medium to long-term strategies. The Board of Directors holds responsibility for the Internal Control System, defining its guidelines, assessing its effectiveness and ensuring that it functions properly and effectively.

Sisal’s Internal Control System establishes a permanent relationship and consequently effective and efficient integration between all Control Bodies. The Internal Control Committee met on three occasions in 2014, with the participation of members of the Board of Auditors, the Supervisory Board, the Internal Audit and Risk Management functions, the Independent Auditors and managers from various areas of the Company. In 2014, the Risk Committee met twice.

RISK MANAGEMENT

Sisal has implemented its Internal Control System by adopting a risk management model designed according to the Enterprise Risk Management (ERM) principles established by international best practices and drawn up by the Committee of Sponsoring Organisations of the Treadway Commission (COSO).

ERM is a strategic process applied across the entire Company. Its aim is to identify, assess and manage business risks in order to boost the Company’s ability to create value by achieving its goals. Through ERM, the potential impact of events on the achievement of the targets set is identified and measured based on two key factors: the likelihood of their occurrence and their
impact on the business. After assessing risk response, the Company’s management decides on possible containment options or countermeasures based on the acceptable tolerance threshold and risk appetite of the Company. It then determines the control activities that will guarantee the effective implementation of the responses defined.

The presence and operation of Enterprise Risk Management functions are monitored continuously for the purposes of managing the Internal Control System and in order to maintain, update and improve it. In 2008, Sisal introduced a structured system to manage its own risks. Risk assessment and analysis processes have been implemented at various levels and in various contexts within the Company. The bodies envisaged in the Self-Regulation Code, with their respective roles and responsibilities, have been incorporated into the risk management process and the necessary appointments have been made to contribute to improving control of business risks, including the Risk Management Committee. Finally, the degree of coordination and collaboration achieved between control bodies is such as to ensure greater efficiency for the system as a whole, as well as raising awareness of the importance of the Internal Control System as a strategic asset that helps create value for the Group. A summary of risk management activities is periodically presented to the Board of Directors by the executive director responsible for control.

ORGANISATIONAL MODEL IN COMPLIANCE WITH D.LGS. 231/01

Following the enactment of Legislative Decree no. 231/2001 (also referred to here as the “Decree”), a Company can be held directly accountable, and therefore sanctioned, if a person connected to the organisation commits certain offences in the interest or for the benefit of the Company.

In 2006, as part of its risk management activities, Sisal defined and adopted an Organisational, Management and Control Model (also referred to here as the “Organisational Model”) designed to reduce the risk of the offences envisaged in the Decree being committed. This Organisational Model, which is an integral part of the Internal Control System, consists of the following fundamental and interdependent elements:

- Code of Ethics.
- Set of internal protocols, procedures and countermeasures that prevent crimes and offences.
- Supervisory Board.
- Map of powers conferred.
- Penalty System.

The Supervisory Board has the task of monitoring the suitability and effective implementation of the Organisational Model. The Supervisory Board reports directly to the Board of Directors, so avoiding bias towards any one corporate division. To guarantee the independence of the Supervisory Board, its members are chosen from a pool of highly qualified professionals with complementary skills, as required to ensure that the Board functions properly.

All Employees and interested parties are required to cooperate fully with the Supervisory Board. Any information pertinent to suspected crimes pursuant to the Decree must be reported immediately, any anomalies notified, and any shortcomings of the Model suitably identified and dealt with.

Sisal has informed all interested parties of the existence and content of the Organisational Model, both by means of its publication on the corporate intranet and through training courses organised based on the status of the interested parties in question and the level of risk in their areas of operation.

The Supervisory Board has developed a training programme, addressed in particular to newly hired managers, with the aim of testing their awareness of the principles and the content of the Internal Control System, and more specifically the Organisational Model.

Sisal has adopted a dynamic Organisational Model which requires constant updating in line with any amendments to laws and regulations and changes that may be of interest to the Company. The Organisational Model, including the Code of
Ethics and Conduct, was reviewed and updated by the Board of Directors in the last quarter of 2014.

CODE OF ETHICS AND CONDUCT

Sisal operates in an institutional, economic, political, social, and cultural context subject to rapid, constant change. In order to deal successfully with the complexity of the situations in which it operates, it is important to define clearly the values that inspire the Company and must be observed.

To this end, Sisal has defined and introduced a Code of Ethics and Conduct (also referred to here as the “Code”). An integral part of the Organisational Model, it defines the principles of behaviour that Employees, Directors, Statutory Auditors, Associates and commercial Partners must observe in the performance of their activities. All areas of activity, business or otherwise, and the geographical areas in which Sisal operates are subject to the principles and rules defined in the Code and in the Organisational Model. All the Partners Sisal works with in the performance of its business activities are required to accept the Code of Ethics by contract and are committed to compliance with it.

Compliance with the Code is of fundamental importance for the Company to function properly and reliably, as well as to protect its prestige, image and knowledge base.

The Code addresses issues concerning staff relations, professional conduct in the performance of business activities, transparent accounting, health & safety, and the environment.

Sisal’s management of the company’s business activities and relations is guided by the principles of legality, fairness, integrity, transparency, efficiency and openness. In conducting its business, which involves the constant acquisition, storage, processing, communication and distribution of information, documents and other data pertaining to negotiations, financial and commercial transactions, know-how, etc., the Company undertakes to ensure that all information is handled properly, specifically guaranteeing the confidentiality, accuracy and transparency of such information and preventing it from being misused in any way.

For more details, the Code of Ethics and Conduct of Sisal companies is available for consultation on the website www.sisal.com, while other parts of the Organisational Model can be found on the corporate intranet site, WeSisal.
THE INTEGRATED MANAGEMENT SYSTEM

The Integrated Management System of Sisal S.p.A. is made up of:

- QUALITY MANAGEMENT SYSTEM (ISO 9001) – SINCE 2001
  For Sisal, the certification of its Quality Management System entailed the diffusion of a broader concept of Quality throughout the Company, one in which the Environment too, with its impact on the social, political and economic system, plays a crucial role if we regard natural resources as community assets.

- INFORMATION SECURITY MANAGEMENT SYSTEM (ISO 27001) – SINCE 2013
  Information is another asset that adds value to the business, as well as being a subject dear to Sisal, which has certified the activities it performs to protect its data and information, in order to ensure their integrity, confidentiality and availability in a scenario in which the risk of breaches in security systems is constantly on the rise. On the subject of information security, in order to provide additional guarantees for itself and its Stakeholders, Sisal has obtained WLA-SCS:2012 certification from the World Lottery Association through an independent organisation, by adopting a number of additional standard controls over data security and integrating them in the Company’s risk security and management processes. These are specifically designed for the international gaming and lottery sector, giving the security of its business activities a cross-border dimension.

- ENVIRONMENTAL MANAGEMENT SYSTEM (ISO 14001) – SINCE 2014
  UNI EN ISO 14001:200 certification testifies to the Company’s concern about the environmental impact of its business activities. Sisal has introduced a comprehensive environmental policy, pursuing sustainable goals and implementing actions aimed at correct waste disposal and recycling, the protection of the ozone layer and energy saving.
SUSTAINABILITY GOVERNANCE IN SISAL

The Sustainability Model adopted by Sisal starts with a medium-long term strategic plan that responds to the desire of all Stakeholders to operate in a financially, socially and environmentally sustainable manner. Sustainability is overseen by the CSR Department in the Marketing and Communications area and by the Governance structure described below.

SUSTAINABILITY COMMITTEE

With the coordination of the Marketing and Communication Manager, the Committee defines and oversees the Group’s Sustainability model with regard to the sharing and approval of strategic guidelines.

The members of the Committee, in addition to the Marketing and Communication Manager, are the Business Unit Managers and the managers of the Human Resources and Organisation, Institutional Relations, Legal and Corporate Affairs, Internal Audit & Risk Management, Security and Anti-Money Laundering functions.

CSR UNIT

The CSR Unit is an organisational unit which works full-time on Corporate Social Responsibility issues and specifically on the:

- Development and implementation of the Responsible Gaming Programme, also with a view to maintaining EL/WLA certification.
- Creation of partnerships with non-profit associations.
- Development of a CSR strategy that engages with the Community and its submission to the Sustainability Committee.
- Development and implementation of the Stakeholder Engagement approach.
- Preparation of the Sustainability Report.

CSR TEAM

The CSR Team is a multi-functional team responsible for developing CSR projects including the:

- Implementation of the Responsible Gaming Programme, also with a view to maintaining European Lotteries/World Lottery Association certification.
- Reporting of activities and preparation of the Sustainability Report.
THE STAKEHOLDERS IN SISAL

INTERACTION
Listening to and respectfully considering the requests presented by the entities and people we work with, because innovation springs primarily from interaction.
STAKEHOLDER MAP

MANAGEMENT APPROACH

Sisal regards it as essential to consider the needs and legitimate expectations of all interested parties, balancing them and integrating them in corporate strategy, based on the Stakeholder Engagement model. A map of the company’s Stakeholders has been prepared on the basis of a survey of corporate counterparties and conversations currently underway. Various categories have been identified, as have the most relevant issues for each of them. Based on this analysis, Sisal defined a shared path made up of specific initiatives for each category of Stakeholder.

CUSTOMERS
Sisal Group works in the entertainment and payment services sectors. The Company’s Customers, totaling 14 million in number, are adult game players and service users.

SISAL PEOPLE
Almost 2,000 Employees (67% under 40 years old and 44% women) who, with great energy and creativity, contribute every day to building and improving the Company’s identity.

COMMUNITY
Local communities, non-governmental associations active in local areas, nonprofit cultural and sporting organisations, foundations and scientific research institutes.

SALES NETWORK
Over 45,500 points of sale with wide geographical coverage throughout Italy. The Sisal Network embraces both bricks-and-mortar and online channels. The bricks-and-mortar network consists of Lottery, Smartpoint, Matchpoint, Wicity and Bingo points of sale.

REGULATORY AUTHORITY AND INSTITUTIONS
The Italian Customs and Monopolies Agency, the Italian Ministry of the Economy and Finance, the Ministry of the Interior and Law Enforcement, Parliamentary Bodies, Regional Administrations, Municipalities and Local Authorities, European Institutions, the Bank of Italy, the IAP (Italian advertising self-regulatory body), CONI (the Italian national Olympic committee), Agenzia per l’Italia Digitale (the agency for digital Italy), Società Generale d’Informatica (general information technology company).

SHAREHOLDERS
Italian and international private investors and equity funds: Clessidra, Apax, Permira, the family of founding partner Molo and the company’s CEO and Managers.
THE STAKEHOLDERS IN SISAL

BANKS AND THE FINANCIAL COMMUNITY
The main banks operating in Italy and internationally and the main Italian and international investment banks.

BUSINESS PARTNERS
Suppliers of materials, technology and services and commercial partners in the gaming and payment services sectors.

TRADE ASSOCIATIONS
Italian and international gaming sector associations, Associazione Italiana Istituti di Pagamento (AIIP, Italian association of payment institutes).

This section presents: the Sales Network, the Regulator and the Public Administration, Shareholders, Banks and the Financial Community, Business Partners and Trade Associations.

Please see section 5 for a description of CSR activities in relation to Stakeholders: Customers, Sisal People and the Community.
THE RETAIL NETWORK

RETAIL NETWORK GROWTH

The Sisal Group operates through a Retail Network made up of 45,587 points of sale split into two bricks-and-mortar channels (branded and affiliated), plus the online channel. The affiliated channel consists of 41,520 third party points of sale, which distribute the Group’s lottery and electronic gaming machine products and payment services. The development of the branded channel’s retail strategy contributes to the long term sustainability of the business through direct contact and communication with Customers, which translates into a better understanding of their needs and expectations. The network of points of sale in the affiliated channel, with which Sisal has established close and lasting business relationships, represents a key asset for the company as it reaches out to an ever broader audience of Customers.

Sisal Network Growth (2006-2014)

<table>
<thead>
<tr>
<th>Year</th>
<th>Branded Channel</th>
<th>Affiliated Channel</th>
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<tbody>
<tr>
<td>2006</td>
<td>102</td>
<td>19,753</td>
</tr>
<tr>
<td>2014</td>
<td>4,067</td>
<td>41,520</td>
</tr>
</tbody>
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<tr>
<th>Channel</th>
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</thead>
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<tr>
<td>Total points of sale</td>
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<td>45,587</td>
</tr>
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<td>Matchpoint</td>
<td>102</td>
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<tr>
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<tr>
<td>Affiliated channel</td>
<td>Affiliated point of sale</td>
<td>19,753</td>
</tr>
</tbody>
</table>
DIALOGUE WITH THE NETWORK

The Group believes that the Retail Network plays a fundamental role in consolidating its reputation and credibility with Customers.

In the pursuit of Stakeholder Engagement, Sisal therefore undertakes to train and update the entire Retail Network about the offering of gaming products and services, and in particular to maintain a direct and ongoing conversation with points of sale.

Below are the communication and training tools developed by Sisal for its Network, which is also involved in specific initiatives and competitions.

SERVICES FOR RETAILERS
A dedicated, controlled-access Contact Centre has been created for point of sale personnel to ensure full confidentiality. It is staffed by Operators who receive regular training and who, in 2013, were able to provide first-call resolutions to 82 queries out of every 100 received. Queries included both technical and administrative issues. The Contact Centre can be accessed in several ways to meet a variety of needs: email, telephone, fax and gaming terminal applications.

In 2014, the Contact Centre resolved about 94% of inbound calls and the Service Level Agreement (SLA) standards set by ADM for Lottery (NTNG) procedures were met in full (98%).

RETAIL PORTALS
The Retail Area is supported by two dedicated web portals: one for Sisal Retail Outlets and the other for Sisal Entertainment Operators.

The Retail Outlet portal (www.ricevitori.sisal.it) is managed by the Trade Marketing team and contains:
- Information about the features of the Sisal offering (games, betting and payment services).
- Detailed information about all gaming products (results, competitions, archives, etc.).

- A download area with printable material for point of sale displays (advertising posters, pools/game data, winning tickets).
- Gaming rules and FAQs

The Operator portal (gestore.sisal-slot.it) also provides product and service updates and information.

HOUSE ORGAN
The Network is served by two paper-based information and learning tools:

Sisal News. This quarterly publication for Point of Sale personnel provides the entire Network with information about current and upcoming initiatives. Key contents:
- “Cari Ricevitori” (“Dear Retailers”), a column with editorial content by the Lottery and Services Sales Manager to inform Point of Sale personnel about performance results and future objectives.
- Sections providing insights into Group initiatives, news about Sisal products (lotteries, services, betting etc.) and information about ongoing Corporate Social Responsibility initiatives.
- “Zona Rice”, a section in which Point of Sale personnel can voice their opinions and share their point of view, featuring interviews, photographs and comments.

La Lavagna (The Whiteboard). The in-house quarterly magazine published by the Matchpoint Network is printed and mailed to all points of sale, in order to inform Retailers about initiatives, business developments and any news relating to the Group.

TERMINAL MESSAGING
Gaming terminals are the most secure and direct way to communicate with points of sale. Daily messages are sent about new products, special initiatives, wins, pools reports and much more. “Pop up” messages can also be sent to terminals for instant notification.
POINT OF SALE PERSONNEL TRAINING
Sisal fosters the development of its Point of Sale Network and promotes awareness of its Sustainability and Corporate Social Responsibility values by implementing innovative training programmes. These programmes include specific training focused on gaming and payment services – particularly in relation to regulatory and Customer protection issues – as well as on more general issues such as entrepreneurial development for Point of Sale personnel.

As regards teaching methods, Sisal began using an e-learning or distance learning management system platform back in 2008. The system provides users with online access to self-study courses from any PC with an Internet connection (24 hours a day, 365 days a year).

The online training catalogue comprises 6 courses and covers 3 macro areas: Games & Services, Regulations and Marketing & Communications. On the subject of Responsible Gaming, in addition to the base course for all new Point of Sale personnel, the Company’s e-learning platform also offers a course in the Regulatory area.

In 2014, the graphics and content of the e-learning platform were fine tuned still further to engage with more Point of Sale personnel, by making the browsing experience more enjoyable, easier and more profitable.

MASTER COURSE IN BUSINESS TRAINING
The Master Course in Business Training for Retailers continued in 2014. The training modules build up key competences in strategies and methods to develop sales and visual communication techniques in points of sale. 2,500 Retailers took the course in 2014.

RIMETTITI A NUOVO
The objectives of the “Rimettiti a Nuovo” competition (a play on words in Italian, meaning both “Renew Yourself” and also “Renovate”) launched in 2013 are to:
• Provide an incentive for Retailers to use the display materials according to the Visual Merchandising Guidelines.
• Deliver practical business support.
• Communicate with the Network using an innovative approach.

All Retailers are eligible to enter the competition simply by uploading a photograph of their displays to the dedicated website or to Facebook. A jury selects the best display and the winner’s prize is a full-scale renovation of his or her point of sale. 10,000 Retailers entered the competition in 2014 and 6 points of sale were renovated.
REGULATORY AUTHORITY AND INSTITUTIONS

THE ITALIAN CONCESSION MODEL

In Italy, pursuant to Legislative Decree 496/1948, the organisation and operation of games with cash prizes open to the public are the exclusive purview of the State. Gaming market players may operate exclusively under a single-concession agreement, as in the case of NTNG games or fixed-odds gaming, or under a multi-concession agreement, as in the case of AWP machines, betting, bingo and remote gaming.

<table>
<thead>
<tr>
<th>GAMING CONCESSIONS</th>
<th>OPERATORS</th>
<th>YEAR OF AWARD</th>
</tr>
</thead>
<tbody>
<tr>
<td>GNTN</td>
<td>Sisal S.p.A.</td>
<td>2009</td>
</tr>
<tr>
<td>Lotto</td>
<td>GTECH S.p.A.</td>
<td>1998</td>
</tr>
<tr>
<td>Instant draw lotteries</td>
<td>Lotterie Nazionali Srl</td>
<td>2010</td>
</tr>
<tr>
<td>Awp/Vlt machines</td>
<td>Sisal Entertainment Multi-Concessions</td>
<td>2013</td>
</tr>
<tr>
<td>Remote gaming</td>
<td>Sisal Entertainment Multi-Concessions</td>
<td>2011</td>
</tr>
<tr>
<td>Horse race and sports betting (so-called “Bersani” law)</td>
<td>Sisal Entertainment Multi-Concessions</td>
<td>2007</td>
</tr>
<tr>
<td>Multi-Concessions</td>
<td>Sisal Entertainment Multi-Concessions</td>
<td>2013</td>
</tr>
<tr>
<td>Betting (so-called “Giorgetti” law)</td>
<td>Sisal Entertainment Multi-Concessions</td>
<td>2013</td>
</tr>
<tr>
<td>Bingo</td>
<td>Sisal Entertainment Multi-Concessions</td>
<td>2009</td>
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</tbody>
</table>
In 2002, the Italian state assigned responsibility for the regulation and control of the entire Gambling and Tobacco segment to the Customs and Monopolies Agency.

One of the Agency’s main objectives is to ensure tax revenue, while protecting Customers and fighting crime. The Agency is also tasked with the definition of guidelines for sector development (by issuing regulatory orders), with constant monitoring of the good operation of gaming concession companies, and with taking action in the form of sanctions if the obligations set out in concession agreements are not fulfilled.

With respect to digital issues in relation to the control and auditing of gaming revenue data, the Agency avails itself of the experience of Società Generale di informatica (Sogei S.p.A.), the technology partner of the Italian Ministry of the Economy and Finance, which uses its control systems to verify that Concession Companies fulfill their obligations and constitutes a guarantee of transparency and legitimacy for end users. Based on current legislation, which requires that every bet be first registered with control systems before users are allowed to play, Sogei has implemented automatic transaction systems which are permanently connected to Operators’ platforms, making it possible to manage the Italian public gaming segment and the tax revenue that this production sector helps generate.

### THE REGULATORY AUTHORITY

### THE INSTITUTIONS

In 2014, the authorities exercised growing scrutiny over the gaming sector, as testified by the weighty body of legislation produced on the issue. There were an estimated 603 parliamentary initiatives spread out evenly over the year.

Today, the legal framework in the gaming sector is more complicated and articulated due to the increasingly frequent introduction of local legislation over national law. As a result, Operators have changed their strategy, adapting it in line with the legislation in force in the local areas where they operate.

At the end of 2014, thirteen Regional and various Municipal Administrations had approved and published municipal laws or regulations which, to differing degrees of severity and extent, impose limits on the provision of legal gaming products in areas in their scope of competence.

One of the most important activities performed by the Company in 2014 was strengthening cooperation, in full respect of the roles of both sides, with the authorities, regional and municipal administrations, law enforcement agencies and the Ministry of the Interior, as well as with its direct institutional counterparts (the Ministry of the Economy and Finance and the Customs and Monopolies Agency), with the aim of tackling local issues in a constructive spirit.
OUR SHAREHOLDERS

Both large and small investors place their trust in the Sisal Group. The Corporate structure is organised in such a way as to ensure transparency, participation and soundness.

The operating Companies are controlled by Sisal Group S.p.A., which is owned by the sole shareholder Gaming Invest S.à.r.l., a company indirectly held through Special Purpose Vehicles by:

- Apax and Permira, both international private equity funds.
- Clessidra, an Italian private equity fund.
- The Family of Founding Shareholder Molo.
- The Company CEO and Senior Management.
All revenue managed by the Sisal Group is channelled through the banking system and as a result the Group has well-established relations with all the leading credit institutions operating at national and international level.

The Sisal Group is constantly evolving, with strong business growth and total revenue under management of 13.9 billion euros in 2014.

So far as day-to-day operations are concerned, lines of credit and the relative financial activities are not concentrated with one main bank, but distributed uniformly among several, in such a way as to diversify risk and split operations based on loans granted.

For each concession, ADM requires one or more guarantees to fulfil all obligations under the concession, such as tax repayments and payouts of winnings to Players. Conversely, payment service Partners require guarantees for the capital managed on their behalf, since cash is withdrawn from the Network of points of sale on a weekly basis but individual contracts contain different repayment deadlines.

The corporate bonds issued, which are listed on the market reserved for institutional and professional investors (ExtraMot), provide a financial instrument that publicly classifies and certifies the quality and solvency of the Group through an assessment made by the main rating agencies. The most recent ratings are from Standard & Poor’s (B with stable outlook) and Moody’s (B with negative outlook). This rating of the bond testifies to the credibility and soundness the Group has demonstrated, despite the difficult market situation in Italy.

By way of confirmation of this, debt covenants continue to be met in full.
OUR BUSINESS PARTNERS

SUPPLIERS

Sisal performs evaluation and qualification procedures on all Suppliers of materials and services directly affecting the final Customer and processes in the framework of the integrated management system. Sisal verifies that all equipment, materials and services purchased meet the requirements specified. Suppliers are assessed on the basis of their compliance with contract and order provisions, as well by monitoring variances between the service levels actually delivered against the levels stipulated by Service Level Agreements (SLAs).

Individual Suppliers are assessed and a Vendor Rating Index is calculated twice a year by monitoring Service Level Agreements and evaluating specific parameters, such as compliance with delivery times and specifications or the correct preparation of technical and administrative documents.

The Code of Ethics and Conduct adopted by Sisal is available for consultation by all Suppliers. The contract between Suppliers and the Company includes a specific commitment to comply with the regulations and principles set out in the Code.

GAMING PARTNERS

- Online Bingo, Casino and Poker.
- Quick Games, online instant win games in the framework of fixed-odds games of chance.
- Online Skill Games.
- Online slot machine games.
- “Fantasy Slot” app for iOS and Android launched in June 2014.
- Video Lotteries.

PAYMENT SERVICES PARTNERS

In the payment services sector, the Sisal Group works with multiple accredited Partners in local areas to guarantee the highest standards of safety, security and efficiency:

- Operators in the mobile and fixed telephony industry and in the digital and satellite television market.
- Multi-utilities in the electricity, water and gas markets.
- Authorised tax collection agencies.
- Local, Regional and Central Government.
- Leading banking institutions.
- Consumer credit companies.
- Insurance companies.
- Transport companies.
- Courier and money transfer companies.
TRADE ASSOCIATIONS

ITALIAN NATIONAL ASSOCIATIONS
Sisal is a member of all the leading federated industry associations in Sistema Gioco Italia, the federation of the Gaming and Entertainment industry and a member of Confindustria Servizi Innovativi e Tecnologici (part of the Italian Employers’ Confederation, Confindustria). They include Giochi e Società, the association that represents the main players in the AWP segment, which for Sisal, in its capacity as Concession company, represents an important point of contact with the other players on the market.

The main aim of Sistema Gioco Italia is to represent and protect cross-industry interests in a sector made up of 6,600 businesses, employing over 200,000 people directly and indirectly, and to develop joint strategies and proposals, mainly in the fields of fiscal policy, law enforcement, the protection of employment and human resources, technological innovation and communication.

In 2014, of the numerous initiatives undertaken by the supply chain, we would like to draw your attention in particular to initiatives to support parliamentary work in connection with the so-called “Delega Fiscale” (a mandate granted to the government to introduce a new tax system).

INTERNATIONAL ASSOCIATIONS
Sisal is a long term associate of European Lotteries (EL), the independent international association that brings together State lotteries and authorised gaming operators, and the World Lottery Association (WLA), which offers global representation for authorised lotteries in numerous countries. The Company fully shares the goal of these highly reputed international associations, which is to promote and foster respect for the values of legality, safety, security and professional ethics in Europe and worldwide, by providing incentives for cooperation among its members.

During the EL Congress in Tel Aviv in June 2013, Sisal CEO Emilio Petrone was elected as a member of the Executive Committee of the Association for the period 2013-2015, while other Company managers were appointed to EL working groups in various areas. Through the umbrella coordination provided by EL, Sisal keeps abreast of all European gaming legislation initiatives.

AIIP – ASSOCIAZIONE ITALIANA ISTITUTI DI PAGAMENTO (ASSOCIATION OF ITALIAN PAYMENT INSTITUTIONS)
The Sisal Group joined AIIP in January 2012 with the aim of expanding and consolidating its relations in a new area of business, beyond its traditional remit, and of consolidating an understanding of international development processes in the field of payment services.

AIIP has a mission to advance and support the development and growth of, as well as fostering awareness and information about, Payment Institutions and financial operators authorised to provide payment services. AIIP also represents its members before the relevant Authorities and organises seminars, conferences and discussion panels to promote research, legal support and training.

The Sisal Group is represented both in the Executive Committee of AIIP and in several thematic study and research work groups.
### A Focus on Stakeholders

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<th>Stakeholder</th>
<th>Commitments</th>
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| **Gaming Customers** | - Work in harmony with the Regulator to ensure safety, security and transparency.  
- Support policies to fight illegal gaming and make a proactive contribution in the form of proposals and initiatives.  
- Strengthen the prohibition of gaming for minors and relative controls.  
- Promote and ensure safe, secure and balanced gaming.  
- Prevent problem gaming and support Players in difficulty.  
- Ensure compliance with the highest international Responsible Gaming standards.  
- Integrate the Responsible Gaming Programme in corporate strategy.  
- Ensure transparent communication that complies with guidelines and legislation. | - Studies and research into the phenomenon of pathological gambling.  
- Development of tools to assess and monitor the level of risk of games.  
- Implementation of remote gaming and gambling prevention mechanisms (self-restraint and self-exclusion).  
- Personnel training about the Responsible Gaming Programme.  
- Network involvement in the Responsible Gaming Programme.  
- Application of a verification procedure to ensure that commercial communications are responsible.  
- Web project to raise Players’ awareness about Responsible Gaming.  
- Prevention mechanisms.  
- Assistance and support for problem players (the “Gioca Responsabile” and “Un aiuto sincero” services).  
- Three-yearly renewal of international Responsible Gaming certificates.  
- Extension of international Responsible Gaming certificates to Sisal’s entire range of gaming products. |
| **Services Customers** | - Make it easier for members of the public to make payments.  
- Ensure maximum transparency in service delivery and the economic conditions applied.  
- Innovate the technology infrastructure for the benefit of Customers.  
- Implement the payment services network.  
- Handle Customer requests promptly and efficiently. | - Cashless Project to permit payments using electronic money.  
- Stand Alone project to develop the Network devoted exclusively to payment services.  
- SisalPay.it digital platform for personal payment management.  
- Introduction of a claims office.  
- Creation of an email address dedicated to answering Customer requests.  
- Dedicated Contact Center service.  
- Seven-day-a-week operations with extended opening hours.  
- Partnership with Italian and international companies. |
| **Sisal People** | - Encourage job creation and employability.  
- Guarantee a safe and efficient working environment.  
- Organise training courses and development workshops at every company level.  
- Inform and update all Employees about important issues.  
- Spread a collaborative corporate climate based on the Values espoused by Sisal.  
- Promote talent and careers.  
- Recognise the value of women’s contribution to the Company.  
- Encourage equal opportunities.  
- Provide incentives for achieving a life-work balance. | - Upgrade the WeSisal corporate intranet site into an internal communication system.  
- Sisal Charter of Values.  
- Development of the performance assessment framework.  
- Corporate atmosphere surveys (Great Place to Work).  
- Job Posting.  
- Management Academy: focus on Values.  
- Creation of an ad hoc training path for women (WiSe).  
- Diversity promotion charter.  
- Development of the company welfare programme. |
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| COMMUNITY   | • Create opportunities for training, socialisation and integration, with a special focus on the younger generations.  
• Support merit and talent.  
• Partnership with qualified associations in the areas of culture, scientific research and training.  
• Intensify conversations with and in local areas.  
| • Education and Talents: design of new talent development training environments, opportunities and methods: GoBeyond project by SisalPay, partnership with Color Your Life and ItaliaCamp and support for the Master Publitalia ‘80 course.  
• Art and Culture: projects, shows and events, seen as opportunities for relational growth and positive socialisation, including partnership with the Piccolo Teatro di Milano and support for the Teatro Olimpico in Rome.  
• Sport: activities that promote the positive values of sport, including the “Io tifo Positivo” (“I’m a positive fan”) and “FloriaGafir - La cultura della sportività” (“FloriaGafir - The culture of sportsmanship”) projects.  
• Fundraising to support scientific research through Sisal’s Retail Network and Employees: AIRC, Telethon, Umberto Veronesi Foundation, Vialli e Mauro Foundation, Associazione Italiana Lotta al Neuroblastoma.  
• Community support: charity initiatives and projects with partners active in local areas, including partnership with Make a Wish® and Fiaba, attendance of the Meeting di Rimini and support for Lilt and the Near Foundation.  
• Local areas: collaboration with KC-ity on a wide-ranging study about the feasibility of urban regeneration projects and programmes. | • Retail services.  
• Retail Portal development.  
• “Sisal News”, the periodical for Retailers.  
• “La Lavagna”, the Sisal Matchpoint periodical.  
• Development of the online training catalogue (six courses).  
• Classroom and online training on the subject of Responsible Gaming.  
• “Rimettiti a nuovo” contest to reward the best point of sale displays  
• Master course in Business Training to optimise point of sale management. |
| RETAIL NETWORK | • Continuously train and update the Sisal Network.  
• Develop the nationwide Point of Sale Network.  
• Devise initiatives to engage with Retailers.  
• Innovate the point of sale technology infrastructure.  
• Promote the Responsible Gaming Programme at points of sale.  
• Support Retailers and provide them with efficient point of sale management assistance.  
• Establish partnerships based on excellence and integrity.  
• Constantly monitor the sales force. |  

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| REGULATORY AUTHORITY AND INSTITUTIONS | • Ongoing collaboration with the Italian Ministry of the Economy and Finance, the Customs and Monopolies Agency and the Authorities to guarantee safety, security, legality and transparency in the gaming sector.  
  • The fight against illegal gaming.  
  • Promoting Player protection initiatives with the Public Institutions, Local Authorities and national and international Industry Associations.  
  • Promote the concept of gaming as entertainment and combat pathological gambling.  
  • Support the message of the total prohibition of gaming for minors.  
  • Guarantee the presence on the market of safe, secure and reliable products. | • Contribute to the development of transnational plans to protect sporting integrity.  
  • Research and studies on the issue of match-fixing.  
  • Support for projects to fight pathological gambling in partnership with the State and Local Authorities.  
  • Support for projects to fight illegal gaming in partnership with Italian and international industry associations.  
  • Proactive contributions to the initiatives and meetings of the Sistema Gioco Italia Federation and its member Associations.  
  • Promotion of research and training activities on the subject of Payment Institutes. |
| SHAREHOLDERS                     | • Full, transparent and prompt reporting.  
  • Annual preparation of the Sustainability Report.  
  • Information disclosure equality for all shareholder and investor categories.  
  • Guarantees that Corporate Governance is based on the values of integrity, transparency and responsibility. | • Investor Relations.  
  • Annual publication of the calendar of corporate events.  
  • Publication on the Group website of information releases regarding the approval and publication of annual reports, quarterly reports, corporate plans and significant transactions. |
| BANKS AND THE FINANCIAL COMMUNITY | • Ongoing relationship.  
  • Long term financial soundness. | • Development of Supplier global analysis tools.  
  • SLA (Service Level Agreement) monitoring activities. |
| BUSINESS PARTNER                  | • Establish relationships based on the principles of integrity, trust and respect.  
  • Create partnerships addressed to value innovation.  
  • Constant monitoring to assess the quality of supplies, services and performance. | • Monthly report on Group performance. |
| TRADE ASSOCIATIONS                | • Encourage respect for the values of legality, safety, security and professional ethics at Italian and international level.  
  • Annual renewal of international Responsible Gaming certificates.  
  • Proactive collaboration with other sector Operators.  
  • Contribute to improving the operating conditions of businesses in the sector.  
  • Consolidate a market based on the principles of sustainability, control, transparency and responsibility. | • Active participation in the definition of shared proposals and strategies (particularly against match-fixing and illegal gambling).  
  • Studies and research to support the Regulatory Authority (ADM) in partnership with other sector Operators.  
  • Ideation of tools and mechanisms that guarantee safe, secure and responsible gaming.  
  • Promotion of a truthful picture of the Italian public gaming sector. |
INCLUSION
Everyone must have a place and a role in the interconnected world. We work to build a society that is more accountable to the public.
CUSTOMERS

MANAGEMENT APPROACH

Customer satisfaction and welfare are strategic goals for the Group’s growth as it works to offer solutions, understand Customers’ needs and deliver high quality services. A focus on Customer care and meeting expectations guides the day-to-day activities of the Company, which develops strategies and products by listening to its Customers and striving to serve them. The Group’s actions are based on the values of trust, fairness and care, ensuring that Sisal continues to be not only a reliable Company, but also one that provides guarantees of a safe, secure and responsible gaming and services offering. Sisal offers Players a programme based on a legal, aware and balanced gaming model, with a focus on entertainment and the protection of vulnerable categories. An ever increasing number of services Customers, on the other hand, are offered a payment system that is guaranteed to be reliable, efficient and certified by the Bank of Italy.

THE RESPONSIBLE GAMING PROGRAMME

Sisal’s overarching commitment to its Customers is the promotion of a culture of Responsible Gaming and the prevention of the potential damage caused by compulsive gaming behaviour. The goal of the Company’s Responsible Gaming Programme is therefore to protect all Customers, and particularly the most vulnerable categories, in full awareness that gaming is and must remain a fun experience.

Sisal is also committed to the promotion and consolidation, among Employees, the Retail Network and commercial Partners, of the ethics and values set out in its Responsible Gaming Programme, based on international standards, information, prevention and education on the subject of responsible and balanced gaming behaviour.

The main goal Sisal hopes to achieve through its Responsible Gaming Programme is:

• To guarantee an aware and balanced model that revolves around entertainment, the prohibition of gaming for minors and the prevention of problem gaming.

Attraverso:

• Collaboration with the Regulatory Authority to protect Customers and provide guarantees that gaming products are safe, secure and transparent.

• Guarantees of and compliance with the highest international standards of Responsible Gaming, achieved through the certification of all Sisal products and verification by an independent auditor.
THE EIGHT AREAS OF THE RESPONSIBLE GAMING PROGRAMME

1. STUDIES AND RESEARCH

Sisal’s Responsible Gaming Programme is underpinned by studies and research, because the Company is convinced that they are vital tools to monitor and analyse perception and awareness of the issues involved, with a focus on safe, secure and balanced gaming. The results of research also play a fundamental role in finding suitable solutions to the problem of pathological gambling.

RESPONSIBLE GAMING SURVEY CONDUCTED ACROSS THE SISAL NETWORK

The aim of the survey conducted in 2014 by Sisal and Nextest (a strategic research institute specialising in social trends and CSR) was to:

- Measure Retailer awareness about the subject of Responsible Gaming.
- Verify the level of awareness about the Responsible Gaming Programme in the Retail Network.
- Assess the effects obtained by the Programme.
- Report on how the Programme is perceived.
Sisal Retailers have defined gaming as a gratifying and entertaining pastime and believe that straying from these values leads to problem gaming. The Responsible Gaming activities performed by the Group are regarded as initiatives that can safeguard the positive values of gaming.

“GIOCARE PER GIOCO”
The Giocare per Gioco project, now in its fifth year, is promoted by Sisal, Gtech, ACADI and Giochi e Società and organised by Fondazione per la Sussidiarietà on a joint basis with ModaCult, the fashion and culture study centre of Cattolica University in Milan. The results of the study are documented in annual reports, two of which were presented at the 2011 and 2012 Rimini Meetings, in two workshops and during a concluding conference entitled “Gioco-Giocatori. Comportamenti e riflessioni” (“Gaming and Gamers. Behaviours and considerations”).

Research work in the first five years:
• Study of existing scientific publications.
• Socio-semiotic analysis of gaming communication.
• Focus group on players aged from 18 to 27.
• “Gioco Responsabile” (“Responsible Gaming”) blog (two editions).
• “Professionals” blog used to measure the opinions on gaming of a panel of selected professionals.
• Ethnographic type qualitative survey based on targeted point of sale interviews with Players.

“PROBLEM GAMING - PROTECTION AND RISK FACTORS”
The “Problem Gaming - Protection and Risk Factors” research project, conducted by Rome La Sapienza University on a joint basis with Ipsos Public Affairs and promoted by Sisal, ACADI, Giochi e Società and Gtech, has made it possible to estimate the penetration of the gambling phenomenon in a representative sample of Players and to compare results with the surveys conducted in previous years (2008/2010/2012).

The study has also contributed to identifying the distinctive features of problem Players, to defining the most effective factors for the prevention of gambling and to drawing up a socio-behavioural profile of Players at risk.

2. GAME DESIGN
In 2010, in compliance with the European Responsible Gaming Standards defined by European Lotteries, Sisal introduced the GAM-GaRD tool to assess the social risk associated with all games before they are marketed. The objective is to define Player protection criteria and implement appropriate strategies to avoid any risks.

GAM-GaRD by GamRes makes it possible to examine game dynamics applied to the development of effective strategies and tools for Responsible Gaming. The tool was developed by an international team of psychologists and researchers to analyse the structural features of a game (length, maximum winnings, regularity of prize draws, etc.) and other parameters (accessibility of gaming halls/shops, opening hours, etc.) based on criteria defined and tested by a panel of global experts.

Risk assessment for Sisal games launched in 2014 confirms the positive results obtained during the previous certification process for AWP machines, betting, Casino and Quick Games, Poker and Bingo, distributed through both the bricks-and-mortar and online channels. In the lotteries (NTNG) segment, the new VinciCasa game launched in 2014 has obtained GAM-GaRD certification.

3. EMPLOYEE TRAINING
The Employees and Management of Sisal receive ongoing training about Responsible Gaming in the form of targeted programmes that vary according to their corporate function. Classroom and online training involves clinical experts and the use of materials developed for this purpose by psychologists specialising in the prevention and cure of pathological gambling. Training sessions end with a questionnaire to check trainees’ level of understanding.
4. RETAIL NETWORK ENGAGEMENT

Sisal is also committed to promoting the Responsible Gaming Programme through its Retail Network, which plays a key role in the relationship with Customers and in communication.

In 2013, the Company made it obligatory for all new Retailers to take a course available on the Retailer Portal e-learning platform and a final self-test.

All sector Operators and Players receive information material (delivered to all points of sale) on the subject of Responsible Gaming, on the prohibition of gaming for minors and on the risks of compulsive gaming. In 2014, there was greater engagement on this issue with points of sale managed directly by Sisal. About 3,300 retailers received the kit containing information material and window stickers with warnings against the risk of addiction and the prohibition of gaming for minors.

Retailers were also sent Responsible Gaming materials to affix to AWP gaming machines and newly opened points of sale are now sent instructions on the use and placement of the material received and a reminder of the sanctions applied in the event such material is not displayed. The material to display in points of sale where proprietary clause 6a gaming machines are installed was sent to 41 new AWP Operators under contract with Sisal Entertainment.

Finally, training courses were scheduled on the subject of Responsible Gaming for Retail Gaming staff.

5. ADVERTISING AND MARKETING POLICY

2014 was a year of intensive communication activity. The most important advertising campaigns were to promote the launches of the new Vinci-Casa game and the “Sisal Live Channel” (the new Matchpoint TV channel devoted live betting) and to support Sisal Wincity.

The advertising control and approval procedures in place were strictly applied to all communication activities, in order to guarantee compliance with Responsible Gaming legislation and regulations. The approval process entailed the following:

- Partner agencies, which have already received training on Responsible Gaming issues, were brought up to date on new regulations and the limits introduced in 2014.
- Legal checks were performed on all communication campaigns to verify their compliance both with the regulations introduced in 2012 (the “Code and Principles of Self-Regulation for Communication Concerning Games with Cash Prizes” drawn up by the Sistema Gioco Italia Federation of Confindustria and article 28 ter of the Advertising Self-Regulatory Code drawn up Istituto di Autodisciplina Pubblicitaria (IAP), the Italian advertising industry’s self-regulatory body) and with the more recent legislation introduced in 2013 by the “Decreto Balduzzi”.
- To provide further guarantees, all new advertising messages were submitted for an additional check by the IAP, which issued a preliminary opinion on the compliance of the messages with the IAP Code and in particular with article 28 ter on the subject of games and gaming.

In addition to the application of this procedure, since 2014 developments in regional and municipal regulations on the advertising of games with cash prizes has been monitored on an ongoing basis. There was a special focus in this sense on advertising to promote Wincity openings.

Compliance with the provisions of the codes of conduct ensures that advertising messages are consistent with both business goals (to provide information about and promote the games and services offered by Sisal, distinguishing them from those provided by other Operators) and Responsible Gaming objectives.

6. PLAYER EDUCATION

In 2014, Sisal once again confirmed its commitment to promoting Responsible Gaming and rais-
ing awareness about it by fine-tuning its information for players and offering a gaming experience that is legal, safe, secure and totally transparent.

**LOCAL AREA INITIATIVES**

Sisal makes initial contact with Customers through its Retail Network, which plays a key role in educating people to behave in a safe and balanced way when gaming.

It is therefore important for the Company to provide points of sale with suitable communication tools on the subject of Responsible Gaming; information on the subject is therefore included on gaming materials and equipment and in customer displays.

**Gaming materials.** The gaming materials in points of sale describe both the features of the game in question and its rules, as well as useful information to gain a better understanding of the product. This information is also available on the websites of the Concession Company (www.superenalotto.it) and the Customs and Monopolies Agency (www.agenziadoganemonopoli.gov.it).

Responsible Gaming messages appear in a prominent position on all gaming materials and betting slips, including an explicit statement of the prohibition of gaming for minors and a warning of the risk of addiction. These concepts are summarised in the notice “Gaming is prohibited to minors and can cause pathological addiction”, which accompanies these mandatory logos:

- The logo of the Customs and Monopolies Agency.
- The “Legal and responsible gaming” logo.
- The “Gioca il Giusto” logo.
- The +18 logo.
- The logo of the Concession Company.

All gaming materials also contain a table indicating the probability of winning in the various categories. If this information is not provided due of lack of space, a clear reference is included to the websites maintained by the Company and the Customs and Monopolies Agency where it can be found.

**Customer Display.** Most points of sale in the Sisal Network have latest generation terminals equipped with monitors, known as Customer Displays, which provide a direct communication channel with Customers.

Customer Displays show information and advertising videos (in a loop) about Sisal products, as well as Responsible Gaming content including, most importantly, the Mister Gig advertisements. This fun character was created in 2010 to promote the idea of Responsible Gaming and educate Consumers to play in a moderate, aware and balanced way.

**PoS materials.** Responsible Gaming content appears in a prominent position on all PoS materials and, like gaming materials, includes an explicit notice that minors are prohibited from gaming, a...
warning on the risk of addiction and all the mandatory logos.

In addition, special cards and stickers have been produced for display in points of sale to raise players’ awareness about Responsible Gaming. In 2014, these PoS materials were sent to all Italian National Lottery (NGTN) outlets and included with the package of setup materials for new openings.

DIGITAL INITIATIVES

In pursuit of the company’s prevention and Player education initiatives, in 2014 Sisal launched a digital communication project, the Mr. Smart web series, which presents an aware approach to gaming, using language that is simple, immediate and ironic but also effective. The web series consists of 10 episodes in which the protagonist, Mr. Smart, experiences the exaggerated and tragicomic consequences of irresponsible gaming, as well as reaping the benefits of an aware and balanced approach.

The series engages with users directly and in each episode asks them to reply to a question raised by Mr. Smart about his behaviour, after which they are told whether or not their choice was a good one. Direct interaction engages with users actively, making them think about their own approach to gaming and inspiring them to act in a responsible and balanced way.

All the episodes in the Mr. Smart web series, available on mistersmart.it, are inspired by “The 10 rules for the Responsible Player”. These ten rules of behaviour, which promote an aware approach to gaming and gambling, have been prepared with the help of experts and can be found online and at Sisal points of sale. Here are the rules for the responsible player:

1. Gambling is a way for me to have fun, not to make money.
2. Before gambling I decide how much money I want to spend. I don’t play with money I need for my everyday life and only use amounts I can afford to lose.
3. I don’t borrow money to gamble. If I lose I accept the loss as the cost of having fun. I don’t add more money to recover my losses.
4. Tactics are pointless, I can’t predict the results and I’m aware that the probability of winning is low.
5. I don't lie about how much I spend and lose when I gamble.
6. I decide how much of my day to devote to gambling and I don't have any trouble stopping or taking breaks.
7. Gambling isn't my only leisure activity and it doesn't encroach on the time I devote to my family, friends, sport and hobbies.
8. I don't gamble after drinking or taking drugs.
9. I don't gamble when I feel lonely. I don't gamble when I feel depressed and I don't feel depressed if I don't gamble.
10. I don't think about gambling repeatedly throughout the day, even if I'm not playing.

In addition, all the Company’s websites contain the “Gioca il Giusto” section, where the following are published:
• The “Ten Rules for the Responsible Player”.
• “Useful Tips for Responsible Gaming”.
• A page with contact information for Player support services.
• The self-evaluation test “What kind of player are you?”

7. REMOTE GAMING

As a result of its special focus on the Customer and the concept of “sustainable entertainment”, Sisal stood out in 2014 as an Operator that promotes a responsible style of gaming.

In order to guarantee a safe and secure gaming environment, Sisal continues to develop tools to fight any fraudulent use of personal and credit card information, as well as to prevent potential money laundering, by ensuring an extremely high level of security across the entire Sisal website.

Controls include:
• An account statement with all credit and debit transactions in the last three months, available in the “My Account” section of the Player’s personal area.
• Self-limitation and temporary/permanent self-exclusion.
Sisal’s online gaming account management system has been certified in compliance with the “Guidelines for certification”, version 1.1, issued on June 7, 2012 by ADM and by TST-GLI (Technical Systems Testing – Gaming Laboratories International). The TST-GLI testing procedures ensure that games comply with the transparency and fairness principles required by law. TST-GLI is one of the bodies approved by ADM to check the compliance of remote gaming platforms and games.

As provided by Decree Law no. 158, September 13, 2012, game websites indicate the probability of winning assigned to Players for each type of game.

To prevent minors from playing, even remotely, Sisal performs careful checks on its Customers’ personal data.

8. TREATMENT REFERRAL

Sisal is committed to informing Players about the risks associated with compulsive gaming and gambling. That is why the Company offers advice to potential problem Players through the in-house Help Desk “Un aiuto sincero” (“Sincere help”) and supports the specialist external service “Gioca Responsabile” (“Play Responsibly”), created in 2009.
on the initiative of FeDeRSerD (the Italian federation of addiction departments and services).

THE “GIOCA RESPONSABILE” (“PLAY RESPONSIBLY”) SERVICE
This completely free, nationwide service is offered by FeDeRSerD and managed by a team of professionals. FeDeRSerD is Italy’s most important scientific federation specialising in addiction and problem consumption. It has 1,300 registered members and is staffed by professional consultants from Addiction and SerT Departments (doctors, psychologists, nurses, social assistants, educators) and accredited private organisations.

“Play Responsibly” offers:
• Assistance and consulting.
• Precise, detailed information about the risks and consequences of problem gaming.
• Self-assessment tools.
• Online therapy: a behavioural cognitive therapy programme managed by a team of experts in such a way as to protect anonymity.
• Information about care solutions offered by local service providers.

Objectives:
• Promote an awareness of risk factors and offer ways to avoid them.
• Provide care even to those people who do not contact local authority services.
• Support Players’ families and friends in finding answers to the problems caused by compulsive gaming.
• Offer support, consulting (psychological and legal) and professional care.
• Provide guidance in finding social and healthcare services suited to this type of situation.

The service can be reached: by landline and mobile phones on free phone number 800.921.121, Mondays to Saturdays, from 9 am to 10 pm (answering service at night and on Sunday), on the www.giocaresponsabile.it website, and through the website’s chat service.

THE “UN AIUTO SINCERO” (SINCERE HELP) SERVICE
Sisal has created the “Un aiuto sincero” (Sincere Help) Help Desk service, available 24 hours a day on 800.778.866 (answered by operators and/or a machine depending on the time of day), to offer Players information on how games should be used, suggestions for a moderate approach and explanations about the use of available monitoring tools and specialist support services.

Operators are regularly trained and updated on Responsible Gaming-related topics and on the pathological gambling phenomenon by clinical experts who provide guidelines to deal with potential problem Players.

Sisal’s anonymous test “What kind of Player are you?”, also available on all Sisal websites in the Responsible Gaming section, is our fundamental self-assessment tool, which all Players who feel they are in difficulty are invited to complete. Based on the outcome, Help Desk staff can provide preliminary advice and refer Players if necessary to the specialist “Play Responsibly” support service.

An information and advice service, which refers Players to specialist support services when needed, is also available by sending an email to giocaregiusto@sisal.it. This account is managed by members of Sisal’s CSR Unit.
INTERNATIONAL CERTIFICATIONS

In February 2014, both of Sisal’s Responsible Gaming certifications, issued by the International Associations European Lotteries (EL) and World Lottery Association (WLA), were extended from the Lottery (NTNG) area to the entire offering of gaming products.

Since 2011, the Responsible Gaming Programme devised and introduced by the Company has been certified every three years (at maximum certification level 4) by European Lotteries and the World Lottery Association, which certify the adoption and implementation of initiatives in full compliance with the “Responsible Gaming Standards”. The certification process requires an assessment by a third party reviewer.

EUROPEAN LOTTERIES (EL)
This independent international body acts as an umbrella organisation for national lotteries and gaming operators throughout Europe, with a mission to combat illegal gaming and provide a sustainable offering of gaming products. All Sisal games are certified.

WORLD LOTTERY ASSOCIATION (WLA)
This organisation provides global representation for the world’s top gaming operators and supports the activity of its certified members, requiring a firm commitment to ensuring the highest standards of corporate social responsibility, particularly in relation to the principles of Responsible Gaming.
PREVENTION OF AND THE FIGHT AGAINST ILLEGAL GAMING

To ensure that the gaming experience is legal, safe, secure and balanced, and to discharge its obligations under the terms of the Company’s Responsible Gaming Programme, Sisal collaborates with Industry Associations in the implementation of initiatives to fight illegal gaming, working proactively with local authorities to identify gaming-related issues that represent a potential risk for the local area.

In 2014, the goal of the work performed in the framework of Sistema Gioco Italia (the Federation that represents the Gaming and Entertainment Industry supply chain) was to highlight the main critical areas in the gaming segment today and propose solutions in four of them, for introduction with the “Delega Fiscale” (a mandate granted to the government to introduce a new tax system).

1. **Action in local areas** - Lobby the Regulatory Authority on the need for uniform, binding rules for Regional Administrations and Local Authorities. An essential prerequisite is the strengthening of prevention and control tools, as well as the introduction of forms of dissuasion and limitation of gaming products to protect potentially vulnerable categories of people.

2. **The fight against illegal gaming** - Contribute with the Public Institutions to raising awareness about the serious problem of the so-called “parallel gaming network” and intensify education initiatives on the subject of legal and responsible gaming. Initiatives have been proposed in this sense to fight the match-fixing phenomenon, which feeds the gambling black market.

3. **Strengthening checks and the prohibition of gaming for minors** - Working to promote responsible gaming culture and practices and to guarantee observance of the total prohibition of gaming for minors.

4. **The fight against Pathological Gambling** - Promote initiatives to fight problem gambling through communication and training. In the communication arena, the goal is to introduce stricter shared guidelines for responsible advertising in the sector, while on the training front, the aim is to ensure better preparation for all Player support operators. With this in mind, Sisal has worked on a series of research projects to analyse the social impact of gaming and find ever more appropriate preventive measures aligned with other European countries.

INITIATIVES TO FIGHT MATCH-FIXING

In the framework of activities to guarantee transparency and fairness in gaming and the closely related world of sport, in 2014 Sisal contributed to the IRIS (Institut de Relations Internationales et Stratégiques) project in response to the need, promoted by the European Commission, to establish and develop transnational action plans to protect sporting integrity, by studying the phenomenon of match-fixing and its relationship with the world of betting in the European Union.

Sisal and Lottomatica, the other Italian member of EL, promoted Italian initiatives in the framework of project implementation by IRIS with the help of European Lotteries (EL). The other Partners in the project are: SportAccord, the association of international sports federations, ENG-SO, a non governmental sporting organisation, and Salford University (UK).
GUARANTEES FOR SERVICE CUSTOMERS

The Sisal Group provides service Customers with a payment system that is reliable and certified.

The terminals installed at points of sale are connected in real time to the Sisal central system, ensuring that transactions are registered and providing Customers with a receipt demonstrating payment to the commercial Partner beneficiaries.

Sisal has a Disaster Recovery system which ensures the backup of all transactions and the availability of payment data in the event of critical situations. This mechanism ensures that Customers can demonstrate, at any time, that they have made payment through the SisalPay Network. The Company has also obtained ISO/IEC 27001 certification to demonstrate that the information security management system is fit for purpose.

Sisal payment services are provided through Sisal Group, an authorised payment institution overseen by the Bank of Italy, which ensures their security and compliance with international standards to safeguard users. At all Sisal points of sale and on the SisalPay.it website, Consumers can access, at any time, our documents on the transparency of payment operations and keep up to date with economic conditions and delivery and complaint procedures.

CUSTOMER CONVERSATIONS

Sisal focuses special attention on the development and continuity of its relationship and conversations with Customers through the digital platforms which represent the preferred communication channel today for direct contact in real time. That is why the Company is committed to developing solutions that optimise the user experience, also by offering in-depth content linked to the history of the Company and the Group’s internal and external Corporate Social Responsibility initiatives.

ONLINE CHANNELS

SISAL.COM

This is the corporate website, which is evolving continuously in order to create a solid relationship with the public and encourage sharing on social channels. As a result of the work performed in 2014, Sisal.com placed sixth in the web ranking of the 43 Italian “non-listed” companies with the best corporate communication. Simple and intuitive to use, it guides visitors through the world of Sisal, starting with the Group’s organisation, and takes them on a journey to discover the Company’s values, product offering and social sustainability initiatives. The vertical layout, responsive design, video content and photo galleries are the main tools used to make the online experience more interactive and multimedial.

SISAL.IT

Sisal.it is the dedicated portal for Sisal online games (Sisal Entertainment GAD concession number: 15155). It gives users access to all Sisal Group online games, including sports and horse race betting (as of January 2014, also on virtual events), pools (Totocalcio, Totogol and Tris), Poker, Casino, online Slots, Quick Games, Skill Games, SuperEnalotto, Vinci per la vita - Win for Life, EuroJackpot, VinciCasa, Gratta e Vinci, Bingo, Lotto and 10eLotto. The content provided by Sisal.it includes both information material and Player care communications. The Customer Care team has also been trained to offer tailored assistance that meets the needs of different types of Customer.
This is the digital platform for personal payment management (bills, telephone top-ups, etc.) developed by the Sisal Group to meet the needs of Customers who are ever more eager to adopt a digital and user-friendly approach. SisalPay.it offers several supplementary services, including a deadline planning tool and the possibility of storing receipts, thus making the life of the public easier.

Wincity.it is the information portal about products and services offered by Sisal Wincity. It provides users with updates on initiatives, events and new openings.

As an Italian national Lottery (NTNG) licensee, Sisal also manages GIOCHINUMERICI.INFO and GIOCHINUMERICI.IT. In 2014, the graphical design and information architecture of the giochinumerici.info website were given a complete makeover and the site has become the online point of reference for all information about the SuperEnalotto, VinciCasa, Eurojackpot, Win for Life and SiVinceTutto games.

SOCIAL CHANNELS

FACEBOOK
Launched in 2013, the aim of Sisal’s corporate Facebook page is to strengthen the relationship between the Company and its Customers. In 2014, this channel tackled subjects with no direct link to business activities: from Corporate Social Responsibility and company initiatives for Employees to major product launches and events. The Sisal corporate page complements individual product pages, which were rationalised in 2014 to be even more effective and engaging. In 2014, the Group’s Facebook pages (Sisal, SuperEnalotto, Vinci per la vita – Win for Life, EuroJackpot, Sisal Poker, Sisal Casinò, Sisal Bingo, Matchpoint, Wincity) reached more than 800,000 fans.

LINKEDIN
Sisal made its debut on LinkedIn in 2013, with the aim of beginning a conversation with both its Employees and external Professionals, based on content of interest to both targets. As a result of this editorial strategy, in 2014 the Sisal page ranked first in Italy in the gaming sector by number of followers.

YOUTUBE
The Group also has a presence on YouTube, with a channel featuring video footage produced by the Company throughout its history.

TWITTER
Following the activation of the corporate profile in 2013, work in 2014 was devoted to building the community and the channel now has more than 5,000 followers. The Company uses the Twitter channel to talk to the media and “network influencers”, with an editorial plan that puts the focus on corporate content, sharing events like the publication of the Sustainability Report and presenting interviews with top management, innovation projects and corporate level endorsements.

STORYBOARD
Created in 2013, Sisal’s corporate blog ‘Storyboard’ continues in 2014 to provide content about the subjects the Group feels are important: innovation, sustainability, smart working and women’s projects. The blog focuses on Sisal’s values, which are the inspiration for further analysis and interviews. It is a tool to keep everyone in the Company and anyone who feels close to our values constantly up-to-date.

IL CONTACT CENTER
The Contact Centre is the main provider of support and assistance services for Players and is operational 24/7. The Contact Centre provides the following services:

- Information about games.
- Technical assistance on applications and gaming clients.
- Assistance and information on gaming accounts.
- Information on Responsible Gaming.

The services are available by calling a dedicated phone number (800.778.866), by fax and by e-mail (different email accounts for specific gaming areas). All contact details can be found in the appropriate websites.
SISAL PEOPLE

MANAGEMENT APPROACH

Sisal demonstrates its Social Sustainability first and foremost by its commitment to all the employees and associates who create value for the company through their daily work. Individual talent and rich diversity are Sisal Group points of strength. That is why the Company undertakes to recognise the experience and develop the skills of everyone, promoting cooperation and the exchange of knowledge, so that work is a source of satisfaction and well-being for people, as well as an essential driver of the Company’s success. The process of change management developed by Sisal over the last four years is joined by new programmes and tools, in which the company’s values, defined using a participatory approach, underpin all people strategy initiatives and are the drivers of change processes.

SISAL’S COMMITMENT TO PEOPLE

The dynamics of contemporary life, often complex, hard to predict and constantly being redefined, mean that change is the dominant paradigm people have to deal with on a daily basis. As a result, words like collaboration, connection, communication and networking become the basis for the actions and programmes designed and implemented by Sisal for and with People.

Social and web tools encourage the culture of collaboration. In Sisal, a network of interfunctional groups work using a bottom-up approach to promote paths in which to discuss new ideas and share points of view with the aim of improving the organisation. HR processes are constantly under review and increasingly based on these participation models, which give voice to the creative flair, the know-how and the intelligence of Sisal’s People.

The main initiatives and projects devised and/or implemented in 2014 by the Company in collaboration with its associates are set out below.

GREAT PLACE TO WORK (GPTW)

The second GPTW climate survey was conducted in March 2014. It once again clearly outlined the pillars that underpin the culture in Sisal: confidence in the corporate strategy, appreciation of the level of professionalism and corporate management, pride in the ability to achieve objectives, also through team work team, and satisfaction at the level of perceived responsibility.
After the signal of change given by the Company in 2012, it is important to confirm this commitment. People are calling for the entire company to show greater consistency and alignment in its desire to optimise the working environment. Sisal is working on the areas of improvement identified, which coincide with the ones defined in the first survey in 2013: communication between Managers and Associates, the application of the meritocratic system, clarity of career development opportunities and a focus on personal needs (work-life balance). The results of the second survey were presented to all Employees, and to Management in particular, in the period from June to November 2014. Senior and Middle Management worked together to identify the priori-
and training about Sisal’s guiding principles and values, as well as about the fact that everyone is responsible for their translation into practical and effective behaviours. It means activating feedback processes that increase awareness about what People know how to do well and what they can do better.

Various workshops have been organised with Company management to explore the Performance Dialogue tool in greater depth and share updates. In addition, in order to support Managers, the Company has organised training sessions on the management of feedback interviews, with a view to encouraging constructive discussion and dialogue between Managers and Associates.

Finally, with a view to encouraging the consistency of the assessment system introduced and to ensure internal fairness, Calibration Committees were set up in 2014 by top management and the Human Resources Office. They met to share 2013 results, to establish evaluation stability and objectivity and to configure assessment guidelines in such a way as to share the measurement parameters applied to both skills and goals.

MANAGEMENT ACADEMY
This project began life at the end of 2013, after the Company had defined its fundamental values. Sisal then identified the key competences and behaviours needed to put these values into practice. Independently of the fundamental value defined, to achieve excellent performance and clearly communicate the corporate drivers, these values must be applied in practice every day and at every level. The programme Sisal has outlined to achieve this objective has been divided into six training periods, each lasting 12 days.

The first module focuses on the role and meaning of Manager, based on the guidance offered by the Sisal Charter of Values. The other modules each focus on a different corporate value and related behaviours.

• Module 1. Being a Manager in Sisal
• Module 2. Self-leadership and performance

Performance Dialogue means communication and training about Sisal’s guiding principles and values, as well as about the fact that everyone is responsible for their translation into practical and effective behaviours. It means activating feedback processes that increase awareness about what People know how to do well and what they can do better.

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WISE – LEADERSHIP AL FEMMINILE

The professional workshop, involving the creation and development of a special training programme for a group of women in Sisal, was the main initiative in 2014 for the WiSe - Women in Sisal Experience project.

The aim of the programme is to help participants develop a personal and “non-standard” style of leadership, one that is effective and consistent with their own preferences and values, as well as guaranteeing well-being and creating an inclusive climate within the organisational system.

The programme is based on a sense of responsibility and individual proactivity, and on the concept of inclusion and recognising the value of diversity, in this case between male and female codes, intended as two different models through which we understand reality, build our own identity and act.

The pilot programme in 2014 was split into four modules:
- Module 1. Leadership, self-efficacy and strengthening leadership skills.
- Module 2. Generative and creative leadership.
- Module 3. Communication, the levers of consensus and the ability to influence.

Easylife

This online platform offers the People in Sisal help in the form of a broad range of services designed to increase their well-being. EasyLife, which grows in scope with every passing month, providing an ever better response to the needs of Employees, offers preferential terms and discounts on personal services, including season travel tickets, legal advice, insurance policies, summer camps, etc.

In the wellness area, on a joint basis with fitness and wellness sector experts, Sisal has organised six seminars at both its Milan and Rome sites, open to all Employees, on the subjects of diet and physical well-being.

Corporate welfare contributes to improving productivity and stimulates individual motivation. Sisal therefore intends to continue to promote initiatives to improve the work-life balance in coming years.

WESISAL

2014 saw developments across the entire WeSisal intranet site. Technical upgrades and new content were introduced by the interfunctional group of WeSisal Editors, which was set up specifically to represent each individual area in Sisal.

WeSisal today is more dynamic, up-to-date and complete. It has also been restyled for better usability.

In 2014, a special Job Posting function was developed for the intranet site to allow Sisal Employees to apply for vacant positions in the Company. The page has been a huge success right from the outset, ranking second by page views and demonstrating our Employees’ strong interest in an interactive tool that contributes to their career development.

In the training area, on the other hand, the online
Bookcorner library now contains new material, dedicated in particular to corporate Values: interactive flashcards, ebooks and flipbooks that Employees can access from their desk and comment on or rate over the WeSisal intranet platform.

2014 saw the launch of important projects that have been particularly well-received by Employees. As a result, the role played by WeSisal is becoming increasingly relevant to the promotion of corporate initiatives and to sharing comments and ideas.
THE COMMUNITY

MANAGEMENT APPROACH

Since 2009, Sisal’s commitment to Social Sustainability has been put into practice by implementing a long term Social Responsibility Programme addressed to the community, in which a key role is played by project planning and implementation on a joint basis with qualified partners. The Group’s community action initiatives take the form of investments in projects to support talent in the younger generations and initiatives in the areas of culture, art, sport and scientific research, which also have the aim of strengthening the ties between Sisal and local areas.

SISAL’S COMMITMENT FOR THE COMMUNITY

The strategic areas of the CSR community support programme in which the company has invested in 2014 are:

EDUCATION AND TALENTS
Planning new frameworks, opportunities and training methods for developing talent.

ART AND CULTURE
Projects and events offering opportunities for relational growth and positive socialisation.

SPORT
Activities that promote the positive values of sport.

SISAL SCIENTIFIC RESEARCH NETWORK
Solidarity campaigns to support scientific research projects implemented with the involvement of the Sisal Network.

OTHER COMMUNITY SUPPORT INITIATIVES
Charitable initiatives and projects with partners active in local areas.

In 2014, Sisal’s long term Community Action Plan focused in particular on work in local areas, which is an integral part of the company’s history and approach, drawing on a close-knit network of over 45 thousand retailers which act as monitoring points in local communities.

For this reason, and because of Sisal’s focus on the evolution of CSR strategies and practices at European level, which increasingly tend to involve businesses in the definition of social innovation strategies to improve the wellbeing of Communities, in 2014 Sisal contributed to a wide-ranging study on the subject, drawing on the skills of its technical partner KCity, which specialises in building integrated urban regeneration strategies and projects that engage with all Stakeholders.
### Education and Talents

- GOBEYOND
- ITALIACAMP FOUNDATION
- MASTER PUBLITALIA '80
- COLOR YOUR LIFE FOUNDATION

### Art and Culture

- PICCOLO TEATRO DI MILANO – TEATRO D’EUROPA
- TEATRO OLIMPICO, ROME

### Sport

- COMUNITÀ NUOVA ONLUS
- FLORIAGAFIR 2000

### Sisal Network for Scientific Research

- AIRC
- TELETHON
- UMBERTO VERONESI FOUNDATION
- FONDAZIONE VIALLI E MAURO
- ASSOCIAZIONE ITALIANA LOTTA AL NEUROBLASTOMA

### Other Community Initiatives

- MAKE-A-WISH®
- FIABA
- RIMINI MEETING
- LILT
- FONDAZIONE NEAR
EDUCATION AND TALENTS

GOBEYOND

GoBeyond is the contest devised and promoted in 2014 by SisalPay to transform business ideas into success stories. It is an initiative that offers a unique form of high added value support, because many brilliant and original ideas are unable to make the transition to successful businesses, often because of a lack of support during the project development stage.

The initiative has the support of partners renowned for their excellence, including Condé Nast Group, Google, RTL 102.5 and Wired.

GoBeyond springs from the desire to encourage innovation and its application throughout Italy. Sisal and its Partners wish to make a practical contribution to the promotion of an “ecosystem” that involves not only initial funding of the winning startup, but also support and advice from a network of businesses, in such a way as to maximise the value of the business ideas involved and accompany them as they grow into successful enterprises. The results obtained in this first edition of GoBeyond present a very positive snapshot of Italy. A creative spirit, a desire to invent and a willingness to take risks are characteristics of many aspiring entrepreneurs, but often they don’t have the competences to stand out from the crowd. That is why SisalPay has decided to renew its commitment with the launch of GoBeyond 2.0.

GoBeyond is open to students, entrepreneurs, talented people of any age and anyone with an innovative business idea who wants to turn it into a company. To take part in the contest, which is not limited to any particular business sector, the idea must be:

- **Innovative** and therefore original, with reference to common knowledge in contemporary society.
- **Useful** and satisfy clearly identified needs.
- **Feasible** and economically sustainable.
- **Scalable** and able to generate a positive return for the Italian community and local area in question, as well as being replicable at international scale.

The project has its own dedicated website, which publishes information about how to enter and more details about all the ideas presented, the three finalist projects and the winners of the first edition (www.gobeyond.info).

At the annual SisalPay workshop held on June 11, 2015 in Rome, the winning project was announced in the first edition of GoBeyond, for which 219 ideas were submitted by aspiring entrepreneurs.

The winning project, rewarded for its technology, innovation and strong social impact, is **DbGlove by Nicholas Caporusso and Gianluca Lattanzi**. DbGlove is an innovative high-tech glove that allows the blind and deaf-blind to use smartphones and tablets to communicate and interact. The product research work lasting ten years, this wearable device has a keyboard and touch screen and is worn on the left hand. It connects via Bluetooth to smartphones, tablets and PCs, allowing users to write text and interact effectively and directly with other people through special sensors. DbGlove supports both Braille and the advanced Malossi alphabet. During the reading process, the wearer receives small pulses in areas of the hand corresponding to letters of the alphabet, which is much faster than traditional systems.

Most of the innovative ideas submitted in the first edition were technology-related, like the project presented by the winning young entrepreneurs, which tackles a socially important problem with the goal of solving it in an innovative and effective way.
The winners received an initial prize of 50 thousand euros and will also be able to draw on the excellence represented by Google, Condé Nast Group, RTL 102.5 and a network of selected partners (Alkemy, Blink Agency, Gruppo Prospecta, MY PR, Roland Berger, Studio Legale Mazzei) who for six months will work with the young enterprise as it grows.

“Doing business in Italy today,” explain with satisfaction Nicolas Caporusso and Gianluca Lattanzi, the authors of the winning project, “means embracing the challenge of ‘we can’ thrown down by SisalPay with this initiative. It means having courage in the strength of your idea and often having to deal with structural difficulties that are at times hard to overcome. We really are very pleased with this important achievement and would like to thank SisalPay and the panel for having had faith in the innovation and strength of our project.

We think that this victory, as well as being a source of great satisfaction for us, can also act as an encouragement for System Italy and a way to understand the extent to which technology can be at the service of the community, particularly when it tackles an objective need and solves a real problem.”

ITALIACAMP FOUNDATION

Sisal was a Founding Member of the ItaliaCamp Foundation when it was established in 2011 to promote and support social innovation and the development of new answers to real questions, working to fill the gap between the birth of an idea and its realisation. The basic objectives of ItaliaCamp are to:

- Contribute actively to the development of a different participatory consciousness through a new model of engagement with people.
- Identify and support the training of new forms of individual and collective leadership which
work for the benefit of Italy.
• Promote citizen-oriented ideas, based on the principles of social, environmental and economic sustainability.

Sisal has confirmed its partnership with ItaliaCamp in 2015 too and will continue to support the “Scuola d’Impresa” (Business School) project. This project, run with the support of Luiss Guido Carli University in Rome, aims to establish closer links between the world of the university and the world of work, offering undergraduates the possibility of writing multi-disciplinary dissertations on subjects that combine study and research with business needs. Sisal offers undergraduates the chance to learn more about the subject of sustainable gaming. During project implementation, Sisal provides coordination through the company tutor, who supervises undergraduates remotely or on company premises.

PUBLITALIA ’80 MASTER

Sisal has a special interest in academic training to bring young people closer, on a practical level, to the world of business. The Publitalia ’80 Master in Marketing, Communication and Sales Management is a training project which Sisal has supported for many years, because it is convinced that specialist training is an indispensable tool for helping young people enter the world of work and, in particular, hold management positions.

The course is addressed to graduates who decide to build their professional future in marketing, trade marketing, sales and communication. The main educational aim is to develop specialist and strategic thinking skills, international vision, a sense of responsibility and a spirit of initiative in situations of risk and in a competitive environment.

COLOR YOUR LIFE FOUNDATION

Since 2010, Sisal has been supporting Color Your Life and the Foundation’s mission to: “help young people understand themselves and exploit their talents in the arts, sciences and crafts, enhancing the value of the commitment and work of school teachers and administrators, offering culture and knowledge to young people and promoting a free conscience to be good citizens and leaders of tomorrow”.

Young talents between 13 and 18 years old can take part in COLORbandi, or competition announcements that propose macro-subjects around which each candidate can develop an original idea that puts their dreams and passions in the best possible light. Young people prepare a self-presentation and a project using their preferred technique (writing, audio, video, drawing or comic strips). A Scientific Committee made up of experts in the various sectors identifies the best candidates, who are given the opportunity to take part in COLORCampus, an intensive training and development experience organised in Loano on the Italian riviera.

The “Prof. 10 e lode” (“Top of the class teachers”) initiative offers a free weekend trip to an Italian city of art to teachers and school administrators who provide outstanding support to students during the preparation of their projects and who have contributed to promoting the Foundation’s work.
ART AND CULTURE

PICCOLO TEATRO DI MILANO – TEATRO D’EUROPA

Piccolo Teatro and Sisal, partners since 2009, support and promote educational events on the subject of theatre culture, particularly when they are addressed to young people. The two companies share the desire to support positive socialisation, with the creation of a space devoted to it, Chiostro Nina Vinchi in Via Rovello in Milan, for which Sisal is Special Partner.

Since its opening in 2010, the Chiostro del Bramante has become a favourite meeting point for young people, students and theatre lovers, as well as an important urban space for cultural socialisation. The Chiostro hosts presentations of the works staged at the Piccolo Teatro, workshops, readings, cycles of theme sessions and exhibitions devoted to the world of the theatre.

At the end of 2014, in view of the six month Expo Milano 2015 event, the Chiostro (which has an international mission to promote conversations and sharing between diverse art forms and cultures) intensified its activities to involve an increasingly numerous public of Milan residents and visitors.

Building shared values that spring from differences between cultures: this is the function that the public-owned Piccolo Teatro feels is its cultural mission. It is the point of contact that has inspired profitable collaboration with Sisal right from the outset.

Milan, permeated by the world and its languages, must increasingly become a place in which to exchange ideas, a place to meet, not only to intercept changes, but to find ourselves again and rebuild the idea of the “public value” of citizenship, which is the engine of democracy and development. The reopening to the public of the Chiostro Nina Vinchi is an extraordinarily successful example of this: reopening the memory of our past to welcome the future of the city. Just drop in any day to “via Rovello 2” to hear and experience so many different languages from around the world, either to attend the cultural initiatives organised on a joint basis with Sisal or simply to experience a beautiful place for no other reason that to meet someone and exchange opinions, rediscovering the long-hidden beauty of the architecture by Bramante, as experienced by so many young people, by so many faces from all over the world. So it was natural that for the six month Expo period, the Piccolo’s “fourth auditorium”, the Chiostro Nina Vinchi, should become a place for the meeting of cultures, so that the citizens of Milan can re-discover their own identity, which must necessarily be “open to the world”, to the opportunities and responsibilities that we, with Sisal, want to continue to share.

Sergio Escobar
Director of the Piccolo Teatro di Milano - Teatro d’Europa

“A teatro con Sisal” (At the theatre with Sisal) is the initiative devised jointly with the Piccolo Teatro for all theatre-lovers in Sisal. Employees have the chance during theatre season to attend performance-related events presented by the main characters in the cast or cultural operators and hosted in the Chiostro’s Caffè Letterario in via Rovello. This proposition in the company’s welfare programme is one of the initiatives devised to improve employees’ life-work balance, because it promotes opportunities to socialise and ways to make use of leisure time.

TEATRO OLIMPICO, ROME

Art and Culture represent two important areas in Sisal’s Community Action Plan. For this reason the Company, through its VinciCasa brand, has lent its support for the second year running to the theatre season at the Teatro Olimpico in Rome, which was built in the 1930s and for more than seventy years has played host to performances in the areas of music, dance and entertainment.

Next page: The Piccolo Teatro di Milano - Teatro d’Europa and the Chiostro Nina Vinchi, of which Sisal has been Special Partner since 2010.

© Alessia Santambrogio
SPORT

COMUNITÀ NUOVA ONLUS

For many years the non profit Comunità Nuova Onlus has been working in the Italian provinces of Milan, Monza & Brianza, Brescia and Catania on several projects and initiatives that aim to promote sport as a force for socialisation and an educational tool to help young people, in particular, grow.

In 2014, Sisal continued its partnership with Comunità Nuova Onlus and its support for the “Io tifo positivo” (I’m a positive fan) project. Violence among supporters is concentrated in team sports and football in particular. In Italy, where the problem seems to get worse every year, a debate is underway on possible solutions: some are in favour of stamping out the phenomenon through forceful repression, while others suggest some sort of conversation. The idea behind the “Io tifo positivo” project, inspired by the life and work of great sports journalist Candido Cannavò, is to propose a third way that focuses on instilling a “culture of sportsmanship” in the younger generations, through a series of educational initiatives addressing to preventing fan-related violence. The strategic objective of the project is to give “the beautiful game” back its sense of fun as a social, entertainment and sporting event.

The specific goals of the project are:

• To teach young people to respect each other and be tolerant.
• To propose sporting values as the guiding principles that underpin human relations.
• To restrict the sport fan phenomenon to sporting venues and during events.
• To promote a sustainable model of being a sport fan.

Young people of ages 9 to 13 are offered an educational programme involving a series of sessions organised to encourage a better awareness of the issue and the resulting benefits in terms of the decisions they will have to make as adults and future fans.

FLORIAGAFIR 2000

The FloriaGafir 2000 Association is an amateur sporting group based in the Florence area, with a mission to teach children and young people from 5 to 30 how to play football. Over 300 players and 1,600 family members are involved in the initiative.

In 2014, Sisal decided to support the "FloriaGafir - La cultura della sportività" (FloriaGafir - The culture of sportsmanship) initiative. The aim of the project is to reappraise the concept of sport which, as well as being a recreational activity, also plays an important educational role for young people, combining entertainment and social values. The project is sponsored by Florence Municipal Council, underscoring the social importance of the values inherent in the initiative.
THE SISAL NETWORK FOR SCIENTIFIC RESEARCH

For many years Sisal has been offering solidarity initiatives access to its network of points of sale to raise funds, mainly to support scientific research into serious illnesses. Once again in 2014, the funds raised through the Sisal Network, and in an initiative promoted by Employees, amounted to a significant total of about 120,000 euros.

AIRC

For the fifteenth year, Sisal decided to support the “Azalea per la ricerca” (An azalea for research) street initiative organised by the AIRC (Associazione Italiana per la Ricerca sul Cancro - Italian Association for Cancer Research) to support cancer research by distributing information about therapeutic results and prospects.

From May 5 to 31, 2014, members of the public were able to donate either using SuperEnalotto and Quick Pick game cards or directly without playing. Total raised: € 27,800

TELETHON

For the tenth year running, Sisal has confirmed its partnership with Telethon to support research into genetic diseases by exploiting the company’s retail network to organise a solidarity drive. From November 17 to December 30, 2014, members of the public could simply make a donation to the Telethon fundraising campaign, or alternatively use the special SuperEnalotto Telethon game cards.

The money raised has enabled Sisal to continue to support two important research projects: “Evaluation of an approach to genetic therapy with stem cells for the treatment of Hurler syndrome” and “Role of epigenetic factors in the identity of stem cells and in tissue regeneration processes”.

Once again this year, Sisal promoted the Telethon initiative with a communication campaign at points of sale, on websites and on the SisalTV channel in betting shops. Total raised: €27,300

Sisal also made a donation of 35,000 euros at Christmas, as a practical demonstration of its commitment to Telethon and to research.

UMBERTO VERONESI FOUNDATION

In 2014, Sisal confirmed its support for the Fondazione Umberto Veronesi and offered access to its retail network for a month for fundraising purposes.

Over the last 12 years, the Fondazione Umberto Veronesi has been investing energy and funds to support scientific research by promoting innovative projects and offering research grants to young doctors and scientists.

The key research areas are oncology, neurosciences, cardiology and prevention-related initiatives, with a special focus on the fight against breast cancer. From September 15 to October 11, 2014, all Sisal betting shops were available to receive donations using special SuperEnalotto game cards or directly, without playing. Total raised: € 18,200

FONDAZIONE VIALLI E MAURO

After two consecutive years of fundraising to support AriSLA (the Italian Amyotrophic Lateral Sclerosis Research Foundation), promoted with the help of the Vialli e Mauro Foundation, in 2014 Sisal decided to finance a research project on cancer and amyotrophic lateral sclerosis backed directly by the Foundation, involving the organisation of a fundraising initiative in association with the brand’s SuperEnalotto product.

Sisal made its online network available for an entire month, from June 9 to July 5, 2014, during...
which members of the public could make donations in association with special plays or alternatively without playing.

Fondazione Viali e Mauro has a mission to make ongoing donations to socially active associations, charities and medical and scientific research entities through dedicated, practical projects.

All funds raised help finance a neurology research position to conduct studies into ALS at the Turin University Faculty of Medicine and Surgery.

Total raised: € 10,400

ASSOCIAZIONE ITALIANA LOTTA AL NEUROBLASTOMA (the Italian association for the fight against neuroblastoma)

Sisal employees are also determined to make their own contribution to scientific research and at Easter set up a stand to sell fair trade chocolate Easter eggs (“Cerco un uovo amico” - “Looking for a friendly egg”). The proceeds were donated to the Associazione Italiana Lotta al Neuroblastoma (the Italian association for the fight against neuroblastoma), which since 1993 has been supporting scientific research into the treatment of neuroblastoma and childhood cancer, with a special focus on brain tumours.

Total raised: € 1,700
OTHER COMMUNITY INITIATIVES

MAKE-A-WISH® ITALIA

Since 2012, Sisal has been supporting Make-A-Wish® Italia, an association with a mission to make the dreams of seriously ill children come true. Make-A-Wish® Italia was established in 2004 as a tribute to the memory of Carlotta Frontani, a little girl who died after a serious illness at the age of 10. Sisal supports Make-A-Wish® Italia and helps make children’s wishes come true not only by providing funding, but also by transferring unassigned prizes to the association (the initiative is described in game regulations).

FIABABA

For the sixth year running, Sisal and its SuperEnalotto and VinciCasa brands have offered their support for “National Fiabaday to eliminate architectural barriers”. The awareness raising campaign was promoted by the Fiaba Association, a non-profit organisation that supports policies to eliminate physical and cultural barriers and to create an environment that is open to everyone, without exclusion. Fiabaday was sponsored by the President of the Italian Republic, with the collaboration of the Italian Prime Minister. “Diversity” and “acceptance” are the values that inspired the Fiabaday 2014 awareness raising campaign.

RIMINI MEETING

For the eleventh year running, Sisal attended the annual Rimini Meeting, which in its 35th year tackled the subject “Towards the outskirts of the world and existence. Destiny has not left humans alone”. Like the previous year, Sisal took its huge 250 square meter play area to the event, the “SuperEnalotto Sisal Fun Village”, where numerous creative and artistic activities were organised to stimulate the imagination and communicate the message that play must be an enjoyable social activity. The novelties included the “Painting & Writing” area, with two big boards for drawings and hand paint-

LILT

On October 23, 2014, as part of the Nastro Rosa (Pink Ribbon) campaign for the prevention of breast cancer promoted by Lilt (Lega Italiana per la Lotta contro i Tumori - Italian Anti-Cancer League), Sisal provided its support for the extraordinary concert held in Milan by I Solisti Veneti, conducted by Claudio Scimone.

FONDAZIONE NEAR

Fondazione Near has a mission to finance social projects addressed to local communities, and children and teenagers in particular, in the areas of healthcare, the family and education. Sisal is working with the Fondazione to create a temporary fair trade outlet on the company’s premises, in line with Sisal Corporate Social Responsibility initiatives in local communities.
ENVIRONMENTAL SUSTAINABILITY

IMPACT
The environment we live in deserves to be protected by practical policies and actions. We play our part each and every day.
ENVIRONMENTAL EDUCATION IN THE SISAL GROUP

MANAGEMENT APPROACH

Although Sisal operates in a sector characterised by low environmental impact, the Company is committed to monitoring and improving the company’s activities, because it is convinced that a systematic effort to save energy and limit the consequences of production activities can contribute to a general improvement in the environment. That is why, since 2009, Sisal has implemented a programme of initiatives to reduce paper consumption, save energy and reduce emissions.

Sisal demonstrates its commitment to respecting the environment through specific initiatives which have the shared goal of reducing pollution and wastage. The company’s employees are therefore encouraged to behave responsibly and use natural resources in a balanced way.

SISAL FOR THE ENVIRONMENT

- ENERGY SAVINGS
- REDUCED ENVIRONMENTAL IMPACT
- ENVIRONMENTAL EDUCATION
- REDUCED CONSUMPTION
- RECYCLING
Slogans like “More attention - Less illumination” are used to remind staff about some of the small daily gestures they can perform before leaving the premises, starting with turning off all electronic devices and the lights in their offices. Cleaning and reception staff have also contributed to the overall energy saving drive by switching off lights in offices and common areas at the end of their shift.

In 2014, Sisal planned an important initiative to refurbish heating and air conditioning systems. As well as replacing the equipment, it will also convert the systems to use natural gas as fuel, supplemented by geothermal resources. This initiative will deliver significant energy savings and reduce environmental impact by using fuels that pollute less. Refurbishment work will start in 2015 and be completed by the end of 2016.
REDUCING ENVIRONMENTAL IMPACT

FSC® CERTIFICATION
Since July 2010, the Sisal Logistics Division has been reviewing its suppliers to select those who not only offer good quality and competitive pricing, but also have a heightened awareness of environmental issues. All suppliers of gaming materials handled by the Logistics Division are certified by the FSC® (Forest Stewardship Council) as being made of paper sourced from forests managed in a correct and responsible manner, in accordance with strict environmental, social and economic standards.

Since 2012, the wording “Environment and health friendly paper” has been printed on the back of all rolls of thermal paper distributed by Sisal, in addition to the FSC® logo, to acknowledge the company’s commitment to the Environment.

The FSC® is an international, independent and non-profit NGO, whose members include pro-environment and social-activism groups, indigenous communities, forest property owners, timber trading and processing industries, as well as scientists and technical experts, who together strive to improve global forestry management. Founded in 2001, FSC® Italy was officially recognised by FSC® International in 2002. The Council is active in many areas, including:
- The definition of sound forestry management standards in accordance with the principles and criteria of FSC® International and adapted to reflect the needs of forested areas in Italy.
- The provision of technical assistance and detailed information on FSC® certification.
- The promotion of the FSC® label and the supervision of its appropriate use.
- The exchange of know-how and information between entities involved in forestry management and timber processing.
- The promotion of studies and pilot projects relating to sustainable forestry management, certification and the market for certified forestry products.

CONTINUED USE OF ELECTRIC CARS IN THE CORPORATE FLEET
Sisal has four electric cars for staff to use when travelling on business inside the cities of Milan and Rome. These cars do not pollute and their use is authorised even during traffic bans. Additional advantages include unrestricted circulation within the “Area C” congestion-charge area in Milan and free parking in Rome in the pay-to-use parking areas marked by blue stripes. Electric vehicles are used by Staff for short trips and for daily routine services, as well as by maintenance engineers performing maintenance operations in restricted traffic areas in both Milan and Rome. Taken together, these cars have driven a total of 30,000 kilometers, avoiding the emission of 3.5 tonnes of CO₂.

ELIMINATION OF PLASTIC BAGS FOR RETAIL NETWORK DISTRIBUTION
In 2014, as part of its drive to safeguard the envi-
ENVIRONMENTAL SUSTAINABILITY

Sisal decided to deliver gaming materials to retailers without using plastic bags. This entailed an additional effort on the part of the Logistics Division in terms of materials monitoring and distribution.

OPTIMISATION OF LOGISTICS PROCESSES

Sisal has reviewed and reorganised its logistics processes to optimize shipments and eliminate excess consumption in connection with materials delivery and collection. The review process saw a significant number of potential suppliers involved and led to the establishment of a number of new partnerships.

Work which began in 2010 to review and implement all logistics processes continued in 2014 with the aim of constant improvement.

The main tools used to review logistics processes include:

- The calendar of national shipments.
- The implementation of a new optimised logistics model, designed specifically to satisfy the Company’s needs.
- Constant real time monitoring of stock levels at retailers.
- Real time shipment tracking.
- The reduction of CO\textsubscript{2} emissions.

Sisal’s Logistics Division has introduced handling management procedures that constantly monitor the impact of the company’s activities on the environment.

USE OF THE STOCK STORE PROGRAM

In 2014, the Stock Store program, which is used to manage and control stock levels and reorder materials for retailers, as well as to monitor paper consumption, made it possible to further optimise shipments to retailers. The Sisal logistics system plans monthly shipments to all Sisal Network points of sale (“National Delivery”), plus special deliveries to cope with unplanned needs.

SELECTION OF SUSTAINABLE SUPPLIERS

In 2014, Sisal’s food & beverage services were provided by the company Fri70, which has obtained UNI EN ISO 14001 environmental certification and has introduced various virtuous practices to protect the environment, including the installation of photovoltaic modules, the use of vehicles and vans powered by natural gas (Euro 5) and the selection of low energy consumption automatic vending machines.

In 2014, new sustainable Suppliers were added in the paper supply and multifunction printer service provision category. Here too savings were achieved on paper costs, but most importantly the amount of paper in stock was reduced.

In 2014, Sisal also launched a tender process to select new long term car hire service providers. The objective is to obtain an overall saving on fleet management costs (310 cars at December 31, 2014), at the same time as renewing the models available for Employees. There was a special focus on the type of engine used by the vehicles and consumption. Over 110 cars will be replaced by the end of 2015 as a result of the tender.

“100% CLEAN ENERGY” CERTIFICATION

Sisal is committed to using only energy from renewable sources. This commitment was recognised in 2012 in the form of the “100% Clean Energy” certificate issued by its supplier, Energetic Source.

Sisal’s Logistics Division also began a project to invite its Suppliers to use exclusively renewable energy. Energetic Source continued to supply the company with power in 2014, with consumption standing at around 20 gigawatt. The use of energy produced from renewable sources rather than traditional ones cut CO\textsubscript{2} emissions by about 12,700 tonnes.
To avoid unnecessary printing, the Company has set up an in-house management system for multifunction printers that combine copying, scanning and printing capabilities.

A central server gathers jobs that are sent to print: printing can only be started if initiated by Employees, who are required to log in with their credentials using the device keyboard. If a print order is not entered within a few hours, the server automatically cancels the print jobs.

In 2014, a programme was launched to replace the multifunction printers installed at the Milan, Rome, Peschiera Borromeo and Lecco sites. The programme resulted in the replacement of 29 multifunction printers with more up-to-date technology, resulting in better energy savings and optimum use of consumables. With the help of IT technology, the printers report on the state of their consumables to users and the supplier, who delivers the products needed at the right time. The implementation of this process and the replacement of the printers has achieved a significant cost per copy saving and contributed to using the correct amount of consumables. A campaign has also been launched to dematerialise paper documents, in order to optimise consultation and avoid useless copies. Completing these initiatives, Sisal continues to monitor the market with the aim of identifying competitive suppliers in terms of both paper costs and production methods.

Also in 2014, Sisal reached an agreement on the replacement of the multifunction printers at all its retail outlets, obtaining similar benefits to those obtained for the Company’s main offices. The replacement plan will be completed in the three-year period 2015/2018.

Moreover, with the aim of further reducing paper consumption, in 2014 the use of digital signatures was introduced for Distribution Network contracts. The total saving amounted to 138,129 sheets of paper.

REDUCED CONSUMPTION OF THERMAL PAPER
the ongoing re-organisation of logistics flows and careful management of shipments to points of sale optimise the consumption of rolls of thermal paper used by the Extrema, Leonardo, Microlot and Xpos gaming terminals. Process consolidation in 2014 has kept the consumption of thermal paper at 2013 levels. In addition, Sisal has chosen to work only with suppliers of thermal paper who guarantee that their production processes are completely bisphenol free (of bisphenol A, in particular).

REDUCING THE WEIGHT OF GIOCA FACILE GAME CARDS
In 2014, Sisal continued its efforts to reduce paper consumption at points of sale by reducing the weight of its Gioca Facile game cards.
RECYCLING

Containers have been positioned in all eating areas and near printers for waste glass, plastic, aluminium and paper to recycle. The Rome office, in a joint initiative with waste collection operator AMA S.p.A., has organised special training sessions for staff and the company’s office cleaners. AMA S.p.A. has also provided the company with “ecoboxes”, which have been installed according to the instructions received. There was a significant level of collaboration and involvement, demonstrating the extent of Sisal employees’ commitment to recycling.

Recycling programmes have been introduced at the Milan, Rome, Peschiera Borromeo and Lecco sites for spent consumables and special waste containers have been positioned near each multifunction printer. Employees must follow the instructions received on the subject, while General Services keep the state of containers under control and manage their collection.

Disposing of waste correctly is one of the main areas in which the company and its employees demonstrate their commitment to the environment.
ECONOMIC SUSTAINABILITY

DRIVER
We contribute to Italy’s growth by operating with clarity and rigour, improving our economic performance also for the benefit of the community as a whole.
THE SISAL GROUP
AND ITS MARKETS

MANAGEMENT APPROACH

The economic performance of the Sisal Group and the Company’s financial strategy are based on an economic sustainability model that combines business results with the legitimate expectations of all Stakeholders, in order to play a dynamic, responsible and leading role in Italian society and the economy. In response to the need for renewal and growth, the Company has devised a development model that can generate lasting value by investing in technology and diversification and by enhancing the product and service offering.

THE GAMING AND PAYMENT SERVICES MARKET IN ITALY:
THE TREND FOR 2010-2014

The Group operates in two markets: games with cash prizes (as regulated by the Italian Ministry of the Economy and Finance and the Italian Customs and Monopolies Agency) and the “assailable” segment of payment services, calculated net of direct-debit payments, including utility bills, taxes, fines and top-ups of phone and prepaid cards.

In 2014, taken together these two markets were worth over 180 billion euros, with the services market accounting for over 53.3% of the total, up 2.4% on 2013.

Both segments report growth, albeit at different rates. The services market reports an average growth rate (CAGR) in the five-year period in question (2010-2014) of 1.1%, while in the gaming market this figure is 8.5%, also as a result of the introduction in the period in question of new types of game (VLTs, cash poker machines, online slot machines and virtual races) which have extended the offering and the potential audience of players.

2014 figures are based on official ADM data.
Gross revenues in the gaming market increased, reporting a CAGR of 8.5%, partly as a result of the introduction of new games, which are not only aligned with Customers’ tastes, but also allowed for a considerable increase in payout. The payout (i.e. the portion of revenues returned to Players in the form of winnings) has increased over time, with CAGR in the period 2010-2014 standing at 11.1%, a figure that is considerably higher than total revenues. Over time, the payout has increased from 72.1% in 2010 to 79.5% in 2014, when more than EUR 67 billion were returned to Players in the form of winnings.

Real public expenditure (the amount actually spent by Italians on gaming) is given by the difference between revenues and payouts, and in the period in question its value increased by 0.5%. This growth, however, represents a decrease when we look at the last three years, during which real spending has dropped from 18 billion euros in 2012 to 17.1 billion in 2013 and 17.3 billion in 2014. Real expenditure is what determines the remuneration of the supply chain, or in other words the amount paid to the State in the form of tax revenues, as well as to Concessions and to points of sale. The following tables illustrate the value of tax revenues and the corresponding percentage weight calculated according to real expenditure among Italians. In 2014, the tax burden stood at EUR 7.9 billion, or 45.9% of real expenditure.

### The Gaming Market in Italy: The Trend for 2010-2014

<table>
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<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Gross Revenues in the Gaming Market *</td>
<td>60.891</td>
<td>79.671</td>
<td>88.270</td>
<td>84.425</td>
<td>84.255</td>
<td>8.5%</td>
</tr>
<tr>
<td>Total Payments and Services Market</td>
<td>92.200</td>
<td>94.812</td>
<td>98.438</td>
<td>94.096</td>
<td>96.341</td>
<td>1.1%</td>
</tr>
<tr>
<td>Market of reference</td>
<td>153.091</td>
<td>174.483</td>
<td>186.709</td>
<td>178.521</td>
<td>180.596</td>
<td>4.2%</td>
</tr>
</tbody>
</table>

In millions of euros

*Excluding data referring to gaming machines without cash prizes (“Clause 7”).

### In millions of euros

**THE GAMING MARKET IN ITALY:**

**THE TREND FOR 2010-2014**

- **Gross Revenues in the Gaming Market**: 60.891, 79.671, 88.270, 84.425, 84.255
- **Total Payments and Services Market**: 92.200, 94.812, 98.438, 94.096, 96.341
- **Market of reference**: 153.091, 174.483, 186.709, 178.521, 180.596

**CAGR 2010/2014**

- **Gross Revenues in the Gaming Market**: 8.5%
- **Total Payments and Services Market**: 1.1%
- **Market of reference**: 4.2%

**Tax Authority**

- **Gross Revenues in the Gaming Market**: 8.5%
- **Total Payments and Services Market**: 11.1%
- **Market of reference**: 4.2%

**CAGR 2010/2014**

- **Gross Revenues in the Gaming Market**: 8.5%
- **Total Payments and Services Market**: 11.1%
- **Market of reference**: 4.2%

**In millions of euros**
In general, the gross revenue growth reported by the various segments of the gaming market is mainly attributable to the broader offering of entertainment devices (CAGR 10.4%) and new online games (CAGR 40.7%). The Betting segment reported very slight growth (+0.2%), mostly due to the launch of Virtual Races in 2014, reversing the downward trend in the previous three-year period. By contrast, Bingo fell 4.6% due to the failure to renew the product over the years.

<table>
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<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Lotteries</td>
<td>18,081</td>
<td>19,421</td>
<td>17,765</td>
<td>17,321</td>
<td>17,258</td>
<td>-1.2%</td>
</tr>
<tr>
<td>Betting and CPS (Sports pools)</td>
<td>6,228</td>
<td>5,294</td>
<td>5,007</td>
<td>4,652</td>
<td>6,285</td>
<td>0.2%</td>
</tr>
<tr>
<td>EGMs</td>
<td>31,474</td>
<td>44,735</td>
<td>49,764</td>
<td>47,507</td>
<td>46,770</td>
<td>10.4%</td>
</tr>
<tr>
<td>Bingo</td>
<td>1,962</td>
<td>1,804</td>
<td>1,763</td>
<td>1,664</td>
<td>1,624</td>
<td>-4.6%</td>
</tr>
<tr>
<td>Skill, Card &amp; Casino Games</td>
<td>3,146</td>
<td>8,418</td>
<td>13,972</td>
<td>13,281</td>
<td>12,318</td>
<td>40.7%</td>
</tr>
<tr>
<td>Total Gaming Market</td>
<td>60,891</td>
<td>79,671</td>
<td>88,270</td>
<td>84,425</td>
<td>84,255</td>
<td>8.5%</td>
</tr>
</tbody>
</table>

In millions of euros

The following table shows the trend in net public expenditure broken down by segment. As stated above, this value stood at 17.3 billion euros in 2014 with a CAGR, once again for the period analysed, of 0.5%. Gross revenues for the market were driven, as stated above, by a steady increase in the value of the payout in the form of winnings; as a result, real public spending, expressed as a percentage of gross revenues, has fallen constantly in the reference period, from about 28% in 2010 to little more than 20% in 2014.

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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Lotteries</td>
<td>6,848</td>
<td>6,994</td>
<td>5,936</td>
<td>5,657</td>
<td>5,445</td>
<td>-5.6%</td>
</tr>
<tr>
<td>Betting and CPS (Sports pools)</td>
<td>1,408</td>
<td>1,340</td>
<td>999</td>
<td>1,025</td>
<td>1,199</td>
<td>-3.9%</td>
</tr>
<tr>
<td>EGMs</td>
<td>7,749</td>
<td>8,595</td>
<td>9,985</td>
<td>9,374</td>
<td>9,632</td>
<td>5.6%</td>
</tr>
<tr>
<td>Bingo</td>
<td>594</td>
<td>569</td>
<td>578</td>
<td>622</td>
<td>580</td>
<td>-0.6%</td>
</tr>
<tr>
<td>Skill, Card &amp; Casino Games</td>
<td>380</td>
<td>434</td>
<td>503</td>
<td>474</td>
<td>444</td>
<td>4.0%</td>
</tr>
<tr>
<td>Total Gaming Market</td>
<td>16,979</td>
<td>17,932</td>
<td>18,001</td>
<td>17,152</td>
<td>17,300</td>
<td>0.5%</td>
</tr>
</tbody>
</table>

In millions of euros
THE PAYMENT SERVICES MARKET IN ITALY: THE TREND FOR 2010-2014

The assailable services market, or the total amount paid by Italians calculated net of direct-debit payments, stood at 96.3 billion euros in 2014, with an increase of 2.4% on the previous year, due mainly to the increase in the number of payments and financial services requested.

In 2014, revenues exceeded 68.7 billion euros, with a CAGR for the period 2010-2014 of 0.5%. The fall in the overall value of the services market in 2013 is due to the temporary cancellation of the property tax, which was reintroduced in 2014. The top-up segment, on the other hand, seems to have reached maturity, with revenues standing at almost 8 billion euros and a fall in CAGR to 8.5%. This contraction is due to the policy to drastically reduce phone charges, which has been introduced by all Operators starting in 2013. Another standout segment is financial services (debit card top-ups), which achieved a revenue volume of 19.6 billion euros and reports a CAGR of 9.6%, becoming the most important segment in terms of potential growth.
The strong link between innovation and growth has transformed the Company into a diversified Group with operations in the gaming and payment services markets.

In the gaming market, the Group has diversified and consolidated its presence in most existing segments, from the National Lottery (NTNG) products typically sold at retailers and electronic gaming machines (slot machines and VLTs), which are growing in importance in points of sale that integrate gaming and entertainment, to the main online gaming products, which in 2014 account for 17.2% of the market, rising from 2.5% in 2007.

The turnover of legal games in Italy was 84.2 billion euros, with a 170 million euro decline (-0.2%) compared to 2013 (84.4 billion euros) and an average growth rate of about 8.5% for the period 2010-2014. Despite a slight downturn over the last two years, performance levels are still high enough to preserve the leading role played by the industry in the Italian economy, even though a breakdown of revenue into the various segments reveals that the payout, which is the amount returned to Players in the form of winnings, grew from 68.2% in 2007 to 79.5% in 2014, when the total reported was 67 billion euros. This significant amount has therefore been returned to Players in the form of winnings, partly thanks to the introduction of games with higher payouts, as in the case of the new online games, for which the payout is approximately 97% but can be even higher. Consequently, real expenditure by the public, which is defined as the difference between total turnover and winnings paid out, has not experienced any significant variations in the period 2010-2014.

During the course of 2014, the Sisal Group reported total turnover of 13.9 billion euros (+4.7%), resulting from further growth in the services segment (about 6.8 billion euros or +9.9%), while the gaming market remained more or less at the same level as the previous year (about 7 billion euros).

Consolidated revenues in 2014 stand at 820,978 thousand euros, a rise of 6.3% on the figure of 772,337 billion euros in 2013.

The chart below summarises the other key economic and operating results and their evolution over the last two-year period, after excluding some non-recurring expenses for the purposes of EBITDA and Operating Profit, most notably the one relating to the application for a settlement based on the payment of a reduced amount of 73.5 million euros, in the existing dispute between the Group (and other similar licensees) and Corte dei Conti (Italy’s Court of Auditors) (so-called “Contenzioso Slot” litigation) for alleged damage caused to the tax authorities in the implementation and operation of the network of electronic gaming machines.
Despite the fact that the overall economic situation continues to feel the effects of prolonged consumption stagnation, total revenues and income reported by the Group in 2014 rose about 6.3% as a result of the ongoing effort on one hand to expand and diversify the offering and control policies, and on the other to optimise the cost structure. Partly as a result of these efforts, gross and operating profit (excluding the effects of non-recurring charges) grew respectively by 76% and 78% on the figures for 2013. Taken together with careful management of working capital, this allowed the Group to embark on another substantial investment campaign, amounting to a total of approximately 47 million euros, to renovate and expand its systems and technology infrastructures, while also promptly meeting its financial obligations, as is demonstrated by Sisal’s compliance with the Covenants established by the main outstanding loan contracts.

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
<th>Change</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Revenues and Income</td>
<td>820,978</td>
<td>772,337</td>
<td>48,641</td>
<td>6.3%</td>
</tr>
<tr>
<td>EBITDA Adjusted*</td>
<td>188,843</td>
<td>175,470</td>
<td>13,373</td>
<td>7.6%</td>
</tr>
<tr>
<td>Adjusted Operating Profit</td>
<td>75,468</td>
<td>69,998</td>
<td>5,470</td>
<td>7.8%</td>
</tr>
<tr>
<td>Profit (loss) for the year</td>
<td>(999)</td>
<td>(98,805)</td>
<td>97,806</td>
<td>99.0%</td>
</tr>
</tbody>
</table>

*EBITDA excluding non-recurring costs and income.
The significant size of the gaming market in Italy in terms of real expenditure by the public means that it makes a substantial contribution to Italy’s public finances, despite a slight decline in tax revenues due to the macroeconomic and industry trends illustrated above. In 2014, total tax revenue from gaming stabilised at approximately 7.9 billion euros, with an average rate of decline in the last 5 years of approximately 2.7%. Of this figure of 7.9 billion euros, approximately 1.0 billion is attributable to Sisal gaming receipts. Of this lower figure, approximately 0.5 billion euros is generated by games in the Lottery (NTNG) family (SuperEnalotto, SuperStar, Vinci per la Vita – Win for Life, SiVinceTutto, EuroJackpot and as of 2014 VinciCasa), which are among the most popular and best known by the public, but also some of the most profitable in terms of tax revenue.

Sisal collects cash flows generated by the business activities of points of sale weekly and makes payments to the Tax Authority and to its Commercial Partners on the basis of relevant regulations and agreements.

In order to give an overall picture of the cash flows deriving from gaming operations, we need to identify the key actors involved: Players, points of sale (outlets, agencies, sports and horseracing betting shops, gaming halls, etc.), Concession Companies, other parties in the revenue collection chain (electronic gaming machine operators) and the Italian Customs and Monopolies Agency.

Of the revenue volume indicated above, the overall market payout in 2014 was approximately 81% of total revenues. Players received approximately 67 billion euros in winnings, compared with 68 billion in 2013 (-0.7%). The remaining amount, representing about 9.9% of revenues, net of taxes, went to Concession Companies and the local gaming revenue collection chain.

The highlights of Sisal Group’s performance in 2013 are as follows:
- Revenues of approximately 7 billion euros.
- Total winnings payable of approximately 5.3 billion euros (just over 75% of revenues, slightly higher than the 2013 figure of 74%).
- Fees paid to national Networks of approximately 0.1 billion euros.
- Fees paid to Group Concession Companies of approximately 0.6 billion euros (including, with regard to revenues from electronic gaming machines, remuneration remitted to the relative supply chain).
The chart below shows the percentage breakdown of the Group’s total gaming turnover.

- Total taxes of approximately 1.0 billion euros (equivalent to about 15% of turnover, compared to a market total of around 9%).
WEALTH CREATION AND DISTRIBUTION

The consolidated highlights reported by Sisal in 2014 and set out below have been reclassified to highlight the process of generating value added, i.e. revenue net of intermediate costs. Value added reflects wealth generated by the Group during the year and then distributed among Stakeholders. Total Gross Value Added, including depreciation/amortization and impairment losses, amounts to 35% of total production value. Total net value added stands at 21.1%. No government funding was received. The Group has not been subject to significant penalties for legal or regulatory non-compliance.

<table>
<thead>
<tr>
<th>VALUE ADDED</th>
<th>2014</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>A VALUE OF PRODUCTION</td>
<td>820.978</td>
<td>100,0%</td>
</tr>
<tr>
<td>Revenue from sales and services</td>
<td>820.978</td>
<td></td>
</tr>
<tr>
<td>B INTERMEDIATE COSTS OF PRODUCTION</td>
<td>535.132</td>
<td>65,2%</td>
</tr>
<tr>
<td>Materials, auxiliaries and consumables</td>
<td>11,608</td>
<td></td>
</tr>
<tr>
<td>Service costs</td>
<td>468,407</td>
<td></td>
</tr>
<tr>
<td>Leases and rentals</td>
<td>25,268</td>
<td></td>
</tr>
<tr>
<td>Provision for risks</td>
<td>1,290</td>
<td></td>
</tr>
<tr>
<td>Other operating expenses</td>
<td>28,559</td>
<td></td>
</tr>
<tr>
<td>GROSS SPECIFIC VALUE ADDED</td>
<td>285,846</td>
<td>34,8%</td>
</tr>
<tr>
<td>Financial income</td>
<td>1,203</td>
<td></td>
</tr>
<tr>
<td>TOTAL GROSS VALUE ADDED</td>
<td>287,049</td>
<td>35,0%</td>
</tr>
<tr>
<td>Depreciation/amortisation, impairment and revaluations</td>
<td>113,587</td>
<td></td>
</tr>
<tr>
<td>TOTAL NET VALUE ADDED</td>
<td>173,462</td>
<td>21,1%</td>
</tr>
</tbody>
</table>
The Total Net Value Added in 2014 amounted to €173.5 million and was allocated to Stakeholders as follows:

- 53.3% paid out to Employees in the form of salaries and without taking account of indirect costs.
- -8.6% paid out to the Government through direct and indirect taxation (the negative value derives from the tax credit recorded during the year, following recognition of the tax deductibility of the charge incurred in 2013 in relation to the aforementioned application for settlement).
- 52.5% was paid to Financial Institutions for borrowed capital.
- 3.4% is the impact of the net loss for the Company on Global Value Added.
- 3.4% was earmarked for local Communities.

<table>
<thead>
<tr>
<th>DISTRIBUTION OF VALUE ADDED</th>
<th>2014</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>A STAFF REMUNERATION</td>
<td>92,506</td>
<td>53,3%</td>
</tr>
<tr>
<td>Staff Costs</td>
<td>87,374</td>
<td></td>
</tr>
<tr>
<td>TFR (Staff severance indemnities)</td>
<td>5,132</td>
<td></td>
</tr>
<tr>
<td>B TRANSFERS TO THE AUTHORITIES</td>
<td>(14,975)</td>
<td>-8,6%</td>
</tr>
<tr>
<td>Direct Taxation</td>
<td>(18,716)</td>
<td></td>
</tr>
<tr>
<td>Indirect Taxation</td>
<td>3,741</td>
<td></td>
</tr>
<tr>
<td>C LOAN REPAYMENTS</td>
<td>91,031</td>
<td>52,5%</td>
</tr>
<tr>
<td>Charges on short term capital</td>
<td>561</td>
<td></td>
</tr>
<tr>
<td>Charges on long term capital</td>
<td>90,470</td>
<td></td>
</tr>
<tr>
<td>D RETURN ON RISK CAPITAL</td>
<td>0</td>
<td>0,0%</td>
</tr>
<tr>
<td>Profits distributed to third parties</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>E RETURN FOR THE COMPANY</td>
<td>(999)</td>
<td>-0,6%</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>(999)</td>
<td></td>
</tr>
<tr>
<td>F COMMUNITY SUPPORT</td>
<td>5,899</td>
<td>3,4%</td>
</tr>
<tr>
<td>Local taxes and duties</td>
<td>3,215</td>
<td></td>
</tr>
<tr>
<td>Donations</td>
<td>310</td>
<td></td>
</tr>
<tr>
<td>Sponsorships</td>
<td>2,374</td>
<td></td>
</tr>
<tr>
<td>TOTAL NET VALUE ADDED</td>
<td>173,462</td>
<td>100,0%</td>
</tr>
</tbody>
</table>
A NOTE ON METHODOLOGY

The 2014 Sustainability Report is the sixth published annually by Sisal. The Report is the Company’s main accountability, communication and programming tool for CSR activities and this edition covers the period from January 1 to December 31, 2014. The wording “Sisal”, “the Company” and “the Group” refers here to Sisal Group S.p.A., while the individual companies within the Group are referred to by their own registered names.

The reporting perimeter of the document remains substantially the same as the previous year, including all the Companies in Sisal Group, and the consolidation parameters applied are the same as those reported in the Consolidated Financial Statements. The scope of financial consolidation includes the following Companies: Sisal Group S.p.A., Sisal S.p.A., Sisal Entertainment S.p.A., Sisal Point S.p.A., Friulgames S.r.l. and Acme S.r.l. The consolidated financial statements as at and for the year ended December 31, 2013 were prepared in conformity with International Financial Reporting Standards.

Data collection and document processing were performed using the internal information system and involved all corporate function managers, each in their own role and within their scope of competence.

Continuing in the direction established last year, the Sisal Group Sustainability Report has been prepared in full compliance with GRI-G4 guidelines. The content has been defined on the basis of a materiality analysis conducted according to the provisions of these guidelines. The methodology applied and the work performed are reported in Section 2, in the paragraph “Sisal Group materiality analysis”.

Based on the current level of coverage of the “Specific Standard Disclosure” indicators, which are associated with material aspects, the level of compliance with the GRI-G4 standard is “in accordance” with the core option.

To guarantee the comparability over time of the indicators held to be most significant, where possible 2014 figures are compared with 2013 data.

The content of the Report is supplemented during the year with additional information published in the Sustainability section of the www.sisal.com website.
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<td>“We have a tradition of innovation” (pages 6-7)</td>
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<tr>
<td>G4-6</td>
<td>The Company operates in Italy</td>
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<tr>
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<td>G4-21</td>
<td>“Sisal Group materiality analysis” (pages 34-35)</td>
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<tr>
<td>G4-22</td>
<td>No significant re-statements were reported in the period</td>
</tr>
<tr>
<td>G4-23</td>
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</tr>
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<td>4. STAKEHOLDER ENGAGEMENT</td>
<td>Profile disclosure</td>
</tr>
<tr>
<td>----------------------------</td>
<td>--------------------</td>
</tr>
<tr>
<td>G4-24</td>
<td>&quot;Stakeholder map&quot;</td>
</tr>
<tr>
<td>G4-25</td>
<td>&quot;Stakeholder map&quot;</td>
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</tbody>
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</tr>
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<td>&quot;A note on methodology&quot;</td>
<td>(page 114)</td>
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<tr>
<td>G4-30</td>
<td>&quot;A note on methodology&quot;</td>
<td>(page 114)</td>
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<td>G4-31</td>
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<td>(page 120)</td>
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<td>(page 42)</td>
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</table>
## SPECIFIC STANDARD DISCLOSURES

### FINANCIAL

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<td>G4-EC4 “Wealth generation and distribution” (page 110)</td>
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<td>Aspect: Product and service labelling</td>
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<tr>
<td>G4-PR3 “Customers” (pages 67-70)</td>
</tr>
</tbody>
</table>
THE CSR EXECUTIVE COMMITTEE CONSISTS OF:

Simonetta Consiglio
Director of Marketing and Communications

Marco Caccavale
Director of the Lottery BU

Andrea Castellani
Director of Internal Audit and Risk Management

Francesco Durante
Director of the Retail Gaming BU

Giovanni Emilio Maggi
Director of Institutional Relations

Andrea Orlandini
Director of Human Resources and Organisation

Emilio Petrone (ad interim)
Director of Legal and Corporate Affairs

Maurizio Santacroce
Director of the Payments and Services BU and of the Online Gaming BU

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Edizioni Olivares

Concept
Francesca Melli

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